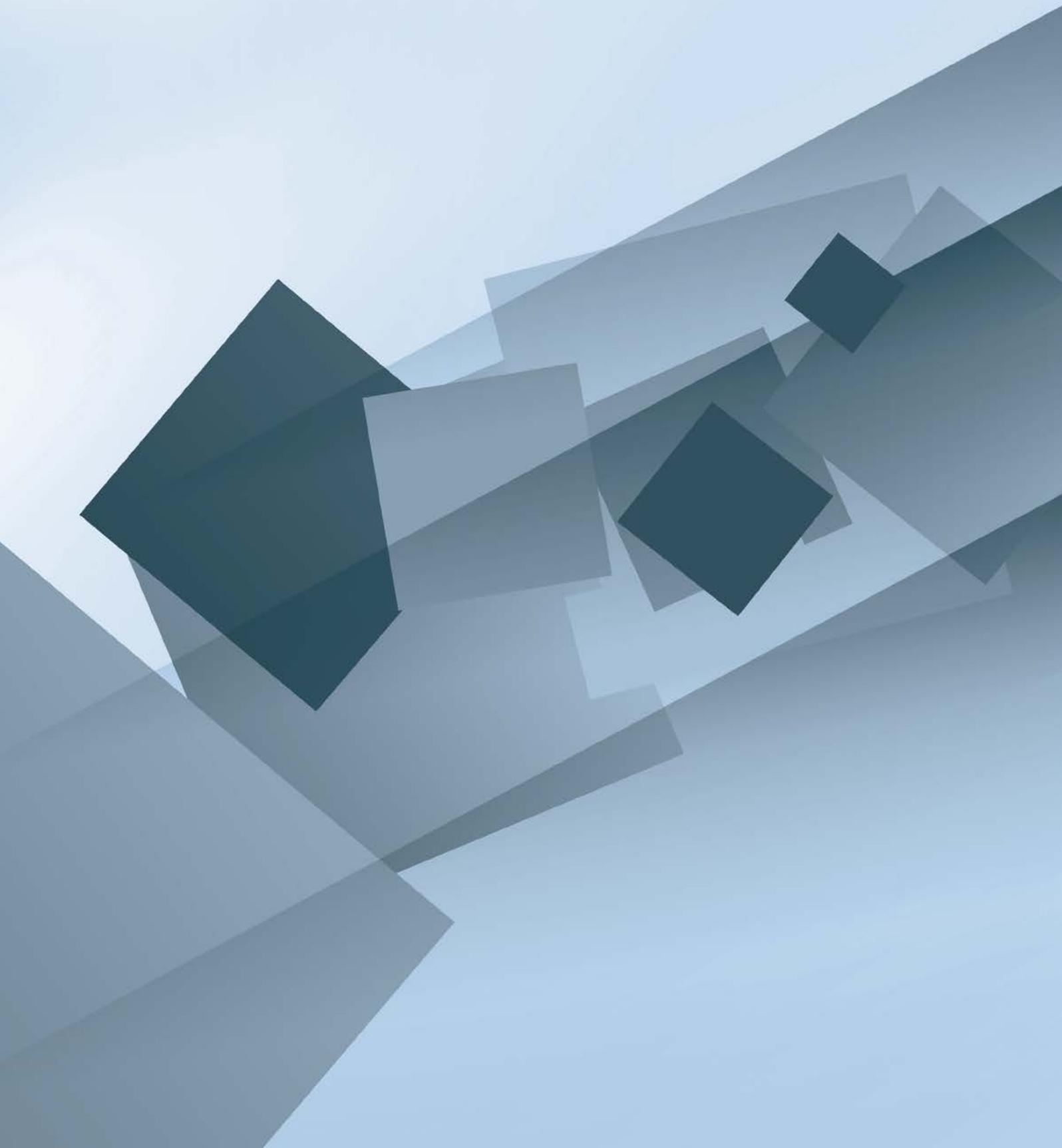




CNMV BULLETIN
Quarter IV
2017



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The CNMV publishes this Bulletin to spread research in order to contribute to the best knowledge of the stock markets and their regulation

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Abbreviations

ABS	Asset-Backed Security
AIAF	Asociación de Intermediarios de Activos Financieros (Spanish market in fixed-income securities)
ANCV	Agencia Nacional de Codificación de Valores (Spain's national numbering agency)
ASCRI	Asociación Española de Capital, Crecimiento e Inversión (Association of Spanish venture capital firms)
AV	Agencia de valores (Broker)
AVB	Agencia de valores y bolsa (Broker and market member)
BME	Bolsas y Mercados Españoles (Operator of all stock markets and financial systems in Spain)
BTA	Bono de titulización de activos (Asset-backed bond)
BTH	Bono de titulización hipotecaria (Mortgage-backed bond)
CADE	Central de Anotaciones de Deuda del Estado (Public debt book-entry trading system)
CCP	Central Counterparty
CDS	Credit Default Swap
CNMV	Comisión Nacional del Mercado de Valores (Spain's National Securities Market Commission)
CSD	Central Securities Depository
EAFI	Empresa de Asesoramiento Financiero (Financial advisory firm)
EBA	European Banking Authority
EC	European Commission
ECB	European Central Bank
ECLAC	Economic Commission for Latin America and the Caribbean
ECR	Entidad de capital-riesgo (Venture capital firm)
EEA	European Economic Area
EFAMA	European Fund and Asset Management Association
EIOPA	European Insurance and Occupational Pensions Authority
EMU	Economic and Monetary Union (Euro area)
ESA	European Supervisory Authorities
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
ETF	Exchange-Traded Fund
EU	European Union
FI	Fondo de inversión de carácter financiero (Mutual fund)
FII	Fondo de inversión inmobiliaria (Real estate investment fund)
FIICIL	Fondo de instituciones de inversión colectiva de inversión libre (Fund of hedge funds)
FIL	Fondo de inversión libre (Hedge fund)
FSB	Financial Stability Board
FTA	Fondo de titulización de activos (Asset securitisation trust)
FTH	Fondo de titulización hipotecaria (Mortgage securitisation trust)
IAASB	International Auditing and Assurance Standards Board
IASB	International Accounting Standards Board

IFRS	International Financial Reporting Standards
IIC	Institución de inversión colectiva (CIS)
IICIL	Institución de inversión colectiva de inversión libre (Hedge fund)
IIMV	Instituto Iberoamericano del Mercado de Valores
IOSCO	International Organization of Securities Commissions
ISIN	International Securities Identification Number
Latibex	Market in Latin American securities, based in Madrid
MAB	Mercado Alternativo Bursátil (Alternative Stock Exchange)
MEFF	Mercado Español de Futuros y Opciones Financieros (Spanish financial futures and options market)
MFAO	Mercado de Futuros del Aceite de Oliva (Olive oil futures market)
MIBEL	Mercado Ibérico de Electricidad (Iberian electricity market)
MiFID	Markets in Financial Instruments Directive
MoU	Memorandum of Understanding
OECD	Organisation for Economic Co-operation and Development
P/E	Price-earnings ratio
PRIIPs	Packaged retail investment products and insurance-based investment products
RENADE	Registro Nacional de los Derechos de Emisión de Gases de Efectos Invernadero (Spain's national register of greenhouse gas emission permits)
ROE	Return on Equity
SCLV	Servicio de Compensación y Liquidación de Valores (Spain's securities clearing and settlement system)
SCR	Sociedad de capital-riesgo (Venture capital company)
SENAF	Sistema Electrónico de Negociación de Activos Financieros (Electronic trading platform in Spanish government bonds)
SEPBLAC	Servicio Ejecutivo de la Comisión de Prevención del Blanqueo de Capitales e infracciones monetarias (Bank of Spain unit to combat money laundering)
SGC	Sociedad gestora de carteras (Portfolio management company)
SGEGR	Sociedad gestora de entidades de capital-riesgo (Venture capital firm management company)
SGFT	Sociedad gestora de fondos de titulización (Asset securitisation trust management company)
SGIIC	Sociedad gestora de instituciones de inversión colectiva (CIS management company)
SIBE	Sistema de Interconexión Bursátil Español (Spain's electronic market in securities)
SICAV	Sociedad de inversión de capital variable (Open-end investment company)
SII	Sociedad de inversión inmobiliaria (Real estate investment company)
SIL	Sociedad de inversión libre (Hedge fund in the form of a company)
SME	Small and medium-sized enterprise
SON	Sistema Organizado de Negociación (Multilateral trading facility)
SV	Sociedad de valores (Broker-dealer)
SVB	Sociedad de valores y bolsa (Broker-dealer and market member)
TER	Total Expense Ratio
UCITS	Undertaking for Collective Investment in Transferable Securities

I Market survey (*)

(*) This article has been prepared by the CNMV's Research and Statistics Department, which belongs to the Directorate-General of Strategic Policy and International Affairs.

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1 Overview

2017 was characterised by consolidated global growth and increasing divergence between the monetary policies applied on each side of the Atlantic. In the United States, the Federal Reserve decided to increase interest rates three times over the year as a result of the positive changes in employment and inflation. It also decided to begin to reduce the size of the Fed's balance sheet following the sharp growth of recent years. In contrast, the tone of monetary policy in the euro area and in Japan remained ultra-expansive. The European Central Bank (ECB) maintained the main refinancing rate at 0% and continued with its debt purchase programmes, which keep the yields on these assets at historic lows. For the moment, the ECB has decided to reduce monthly debt purchases from 60 billion euros to 30 billion euros as from January 2018 (up to September 2018), which may be extended if considered necessary by the ECB.

Against this backdrop, international financial markets performed positively as a result of low interest rates and solid growth. These factors allowed global stock markets to record significant gains against a backdrop of extremely low volatility. The largest increases were recorded in the US indices, with gains of between 19% and 28% over the year, with some shares, mainly in the group known as FAANG (Facebook, Apple, Amazon, Netflix and Google), generating concerns that they may be overvalued. Gains in European stock markets were somewhat lower, between 6% and 14%, as a result of political uncertainties and the Brexit negotiations. In debt markets, long-term bond yields in most advanced economies remained relatively stable throughout the year, except in Portugal, which recorded a significant fall as a result of its improved credit rating.

In Spain, financial markets did not record any significant increase in stress levels over the year, even during the times of greatest uncertainty. Equity assets recorded significant gains in the first few months of 2017 in a context of strong growth, but this trend changed in the second half of the year as a result of the political crisis in Catalonia, which led to a small dip in share prices. Over the year as a whole, the Ibex 35 index grew by 7.4%, slightly above the Eurostoxx 50 (6.5%), but below other benchmark European indices, which grew by between 9% and 14%. In debt markets, short and long-term interest rates remained very low throughout the year, conditioned by the expansive tone of the policy adopted by the ECB. The risk premium ranged between 95 basis points (bp) and 153 bp and closed the year at 114 bp, similar to the values recorded at year-end 2016 (118 bp). In this context, fixed-income issues registered with the CNMV fell by 21.3% in 2017, while issues made abroad (which accounted for over 46% of the total) rose by 52%.

Key financial indicators

TABLE 1

	I 17	II 17	III 17	IV 17 ¹
Short-term interest rates (%)²				
Official interest rate	0.00	0.00	0.00	0.00
Euribor 3 months	-0.33	-0.33	-0.33	-0.33
Euribor 12 months	-0.11	-0.15	-0.17	-0.19
Exchange rates³				
Dollar/euro	1.07	1.14	1.18	1.20
Yen/euro	119.5	127.8	132.8	135.0
Medium and long-term government bond yields⁴				
Germany				
3 years	-0.68	-0.62	-0.65	-0.57
5 years	-0.36	-0.39	-0.31	-0.28
10 years	0.39	0.29	0.40	0.37
United States				
3 years	1.58	1.48	1.51	1.96
5 years	2.01	1.77	1.79	2.19
10 years	2.48	2.19	2.20	2.41
Corporate debt risk premiums: spread over 10-year government bonds (bp)⁴				
Euro area				
High yield	432	416	385	398
BBB	132	125	109	104
AAA	68	71	56	54
United States				
High yield	375	383	383	377
BBB	132	136	131	122
AAA	65	58	54	44
Equity markets				
Performance of the world's main stock indices (%) ⁵				
Eurostoxx 50	6.4	-1.7	4.4	-2.5
Dow Jones	4.6	3.3	4.9	10.3
Nikkei	-1.1	5.9	1.6	11.8
Other indices (%)				
Merval (Argentina)	19.8	8.1	19.0	15.3
Bovespa (Brazil)	7.9	-3.2	18.1	2.8
Shanghai Comp. (China)	3.8	-0.9	4.9	-1.2
BSE (India)	13.2	3.8	3.2	8.4
Spanish stock market				
Ibex 35 (%)	11.9	-0.2	-0.6	-3.3
P/E of Ibex 35 ⁶	14.8	14.6	13.6	13.6
Volatility of Ibex 35 (%) ⁷	15.8	16.9	13.9	15.4
SIBE trading volumes ⁸	2,408	3,266	1,943	2,470

Source: CNMV, Thomson Datastream and Bolsa de Madrid.

1 Data to 31 December.

2 Monthly average of daily data. The official interest rate corresponds to the marginal rate at weekly auctions at the period close.

3 Data at period end.

4 Monthly average of daily data. In the euro area, the spread is calculated with regard to the German bond.

5 Cumulative quarterly change in each period.

6 Price-earnings ratio.

7 Implied volatility. Arithmetical mean for the quarter.

8 Daily average in million euros.

2 International financial background

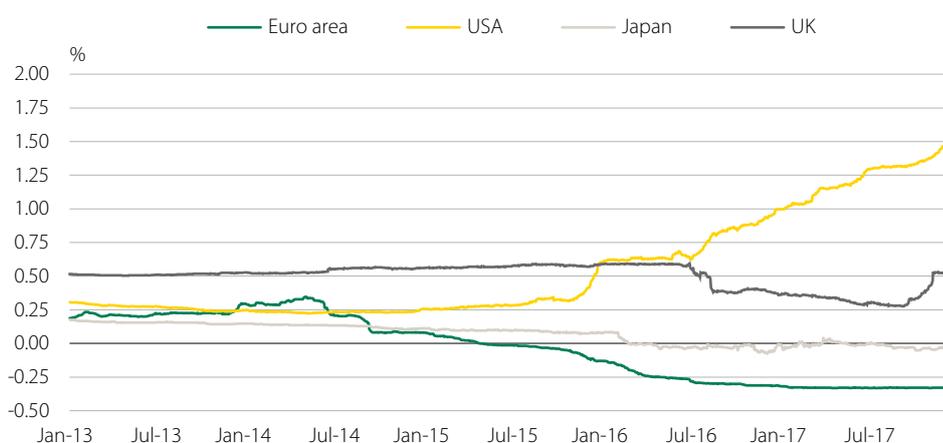
2.1 Short-term interest rates

Short-term interest rates in the major advanced economies continued to drift apart over 2017 as a result of the different speeds at which central banks are normalising monetary policies. In the United States, where the Federal Reserve decided to increase the official rate to a range between 1.25% and 1.5% in December and began to reduce its balance sheet in July, three-month interest rates followed an upward path throughout the year, standing at 1.69% at the end of December (0.98% at year-end 2016) (see Figure 1).

In the euro area, three-month rates remained stable at around -0.33% throughout the year, in line with the actions of the ECB, which maintained the main refinancing rate, the deposit facility rate and the marginal lending rate unchanged at 0%, -0.4% and 0.25%, respectively, in its December meeting. However, the strength of economic growth in the region¹ has made it possible to reduce the asset purchase programme by half (30 billion euros per month) as from January 2018. The purchases are likely to continue until September of the same year, or beyond if necessary in order to drive inflation closer to the target rate (below, but close to 2%).

Three-month interest rates

FIGURE 1



Source: Thomson Datastream. Data to 31 December.

Three-month interest rates rose slightly in the United Kingdom to 0.52% in December (15 bp up on the start of the year) due to the rise in the bank rate (to 0.5%) decided by the Bank of England in November. The slight tightening of monetary policy was applied in order to contain inflation, which currently stands above the 2% target (3.1% in November). Meanwhile in Japan, three-month interest rates remained at around 0% throughout the year, thus reflecting the absence of changes in the ultra-accommodative monetary policy.

1 In its latest forecast, published in December, the ECB forecasts that the euro area will grow by 2.4% in 2017, 2.3% in 2018 and 1.9% in 2019, increases of 0.2, 0.5 and 0.2 percentage points, respectively, on its previous forecast, published in September.

As shown in Table 2, short-term interest rates in the last quarter of the year were significantly higher in the United States than in the other advanced economies. US six-month and twelve-month rates recorded an increase of 30 bp in the last quarter to stand at 1.77% and 2.05%, respectively, in December. In contrast, rates in both the euro area and Japan remained largely unchanged, although the benchmark twelve-month rate in the former moved further into negative territory (-0.19% in December compared with -0.08% at year-end 2016). In the United Kingdom, six-month and twelve-month rates fell slightly in the middle months of the year, although these falls were subsequently reversed due to the action of the Bank of England. These interest rates stood at 0.58% and 0.77%, respectively, in December, similar levels to those recorded in December 2016.

Short-term interest rates¹ (%)

TABLE 2

	Dec-13	Dec-14	Dec-15	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
Euro area								
Official ²	0.25	0.05	0.05	0.00	0.00	0.00	0.00	0.00
3 months	0.28	0.08	-0.13	-0.32	-0.33	-0.33	-0.33	-0.33
6 months	0.37	0.18	-0.04	-0.22	-0.24	-0.27	-0.27	-0.27
12 months	0.54	0.33	0.06	-0.08	-0.11	-0.15	-0.17	-0.19
United States								
Official ³	0.25	0.25	0.50	0.75	1.00	1.25	1.25	1.50
3 months	0.24	0.25	0.54	0.98	1.13	1.26	1.32	1.61
6 months	0.35	0.34	0.77	1.31	1.43	1.43	1.47	1.77
12 months	0.58	0.60	1.09	1.67	1.81	1.73	1.74	2.05
United Kingdom								
Official	0.50	0.50	0.50	0.25	0.25	0.25	0.25	0.50
3 months	0.52	0.56	0.58	0.37	0.35	0.29	0.31	0.52
6 months	0.61	0.68	0.74	0.54	0.50	0.43	0.45	0.58
12 months	0.89	0.98	1.05	0.79	0.73	0.64	0.66	0.77
Japan								
Official ⁴	0.10	0.10	0.10	-0.10	-0.10	-0.10	-0.10	-0.10
3 months	0.15	0.11	0.08	-0.04	0.00	-0.01	-0.03	-0.02
6 months	0.21	0.15	0.12	0.01	0.03	0.02	0.00	0.02
12 months	0.37	0.27	0.22	0.12	0.13	0.13	0.11	0.11

Source: Thomson Datastream.

1 Monthly average of daily data except official rates, which correspond to the last day of the period. Data to 31 December.

2 Minimum bid rate at weekly auctions.

3 Federal fund rate.

4 Monetary policy rate.

As regards interest rate expectations, forward rates (FRAs) suggest that there will be continued divergence in the short-term benchmark rates in the euro area and in the United States in 2018. Rates in the former are expected to change slightly in one year (from -0.33% to -0.23%), an expectation that is in line with the intention expressed by the ECB to maintain the official interest rate at 0% until completion of the asset purchase programme. In contrast, interest rates in the United States are expected to rise by half a percentage point (up to 2.15%) in line with the monetary policy normalisation process adopted by the Federal Reserve (see Table 3).

Three-month forward rates (FRAs) (%)

TABLE 3

	Dec-13	Dec-14	Dec-15	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17 ¹
Euro area								
Spot	0.29	0.08	-0.13	-0.32	-0.33	-0.33	-0.33	-0.33
FRA 3x6	0.28	0.07	-0.17	-0.31	-0.31	-0.32	-0.33	-0.32
FRA 6x9	0.29	0.06	-0.18	-0.29	-0.28	-0.28	-0.30	-0.31
FRA 9x12	0.33	0.08	-0.18	-0.28	-0.26	-0.25	-0.30	-0.28
FRA 12x15	0.38	0.12	-0.18	-0.26	-0.22	-0.20	-0.24	-0.23
United States								
Spot	0.25	0.26	0.61	1.00	1.15	1.30	1.33	1.69
FRA 3x6	0.28	0.31	0.77	1.08	1.31	1.38	1.50	1.78
FRA 6x9	0.32	0.48	0.94	1.24	1.45	1.50	1.61	1.94
FRA 9x12	0.38	0.70	1.09	1.39	1.56	1.57	1.72	2.06
FRA 12x15	0.45	0.97	1.26	1.55	1.66	1.65	1.81	2.15

Source: Thomson Datastream.

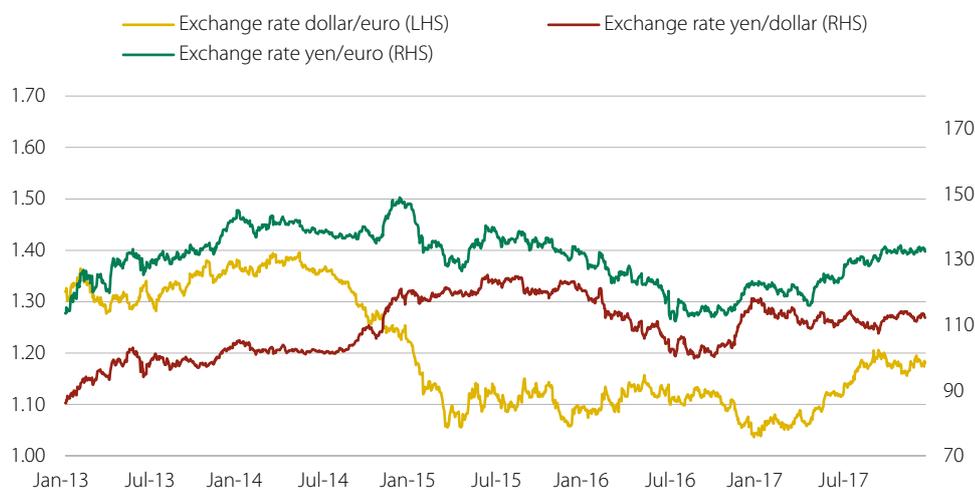
¹ Data to 31 December.

2.2 Exchange rates

The euro-dollar exchange rate stood at around 1.20 in December after starting the year almost at par (1.05 at year-end 2016). As shown in Figure 2, the European currency started to gain ground in the middle months of 2017, partly as a result of the strength of economic growth in the euro area, putting an end to the downward trend that began in 2014. The euro/yen exchange rate followed a similar path to that of the dollar/euro rate over the year, although the gain of the euro was more moderate in this case. The yen/euro exchange rate reached 135 in December (123.4 at year-end 2016), coinciding with a slight appreciation of the yen against the dollar.

Dollar/euro and yen/euro exchange rates

FIGURE 2



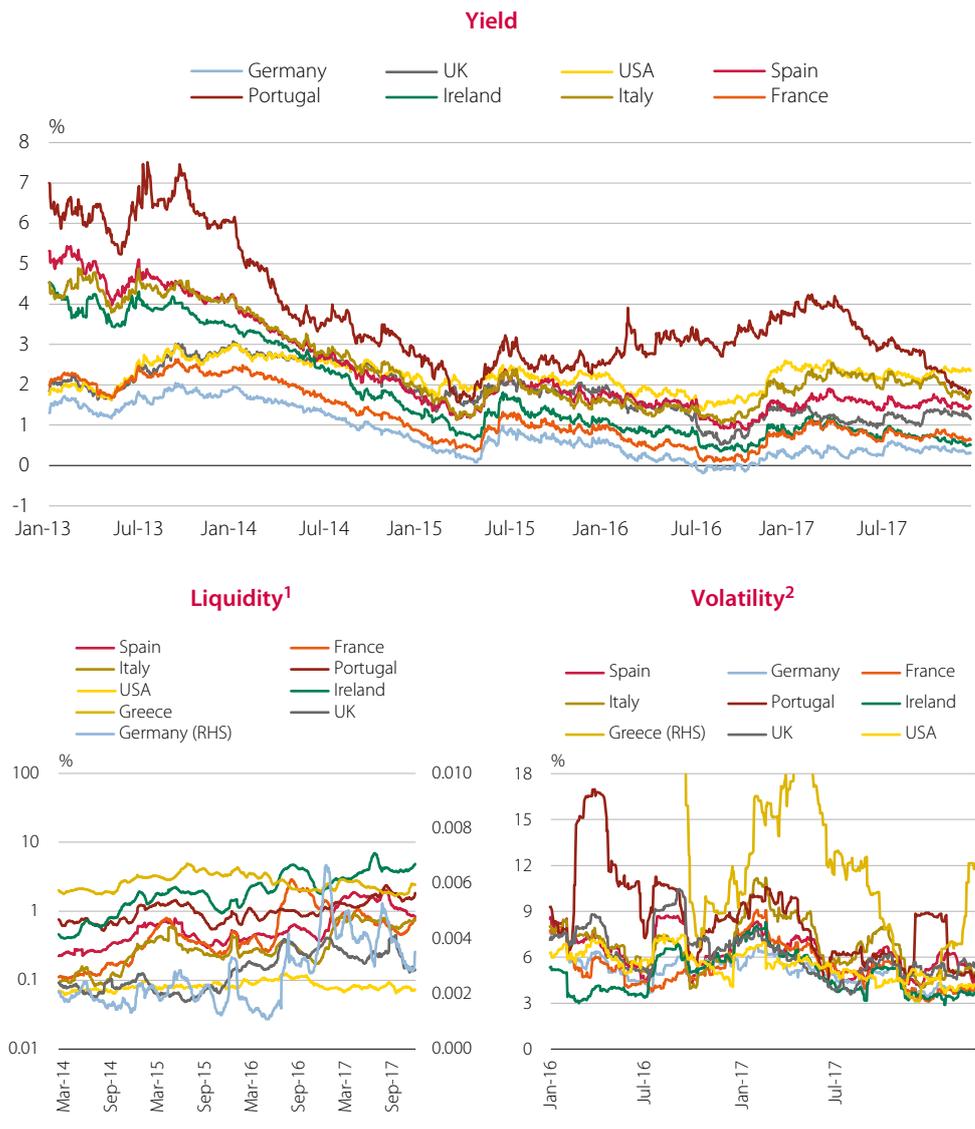
Source: Thomson Datastream. Data to 31 December.

2.3 Long-term interest rates

Long-term sovereign bond yields of most advanced economies were very stable over last year. In the case of the United States and the United Kingdom, long-term rates in December stood at similar levels to those seen at year-end 2016, while in the euro area, interest rates recorded slight increases. Breaking away from this generalised trend, the yield on Portugal's sovereign bond fell by 183 bp due to the improvement in its credit rating.²

Sovereign bond market indicators (ten years)

FIGURE 3



Source: Bloomberg, Thomson Datastream and CNMV. Data to 31 December.

- 1 Monthly average of the daily bid-ask spread of ten-year sovereign yield on a logarithmic scale. In the case of the German bond, the one-month average of the bid-ask spread is shown without dividing it by the average of these yields so as to avoid the distortion caused by its proximity to zero.
- 2 Annualised standard deviation of daily changes in 40-day sovereign bond prices.

² On 1 September, Moody's changed the outlook for Portugal's long-term sovereign debt from stable to positive and on 15 September, S&P improved its rating from BB+ to BBB-. On 15 December, Fitch announced an upgrade to Portugal's sovereign bond credit rating from BB+ to BBB.

In this environment of stable yields, long-term interest rates in most euro area countries remained largely unchanged over the last quarter of the year, coinciding with the absence of changes in the tone of the ECB's monetary policy. Sovereign bond yields recorded an increase of 4 bp in France and falls of 4 bp and 18 bp in Germany and Italy, respectively. The yield in Italy fell as a result of the improvement in its debt rating by one credit rating agency, which based its decision on the improved economic outlook and progress in relation to the challenges faced by the financial sector. Rates in Spain began to fall at the end of October, also as a result of the easing of domestic political tensions and accumulated a fall of 5 bp in the last quarter of the year.

The yield on the US bond fluctuated around 2.40% in the last quarter after rising in September at the time the Federal Reserve announced that it would maintain the calendar of rate hikes despite inflation having fallen below its target in recent months. Similarly, the yield on the United Kingdom sovereign bond rose in the middle of September as a result of the expectation that the Bank of England would toughen its monetary policy so as to contain the increase in inflation and it subsequently fell by almost 10 bp to 1.22%.

Medium and long-term bond yields¹ (%)

TABLE 4

	Dec-13	Dec-14	Dec-15	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
Germany								
3 years	0.35	-0.04	-0.28	-0.71	-0.68	-0.62	-0.65	-0.57
5 years	0.84	0.08	-0.07	-0.46	-0.36	-0.39	-0.31	-0.28
10 years	1.85	0.64	0.60	0.29	0.39	0.29	0.40	0.37
United States								
3 years	0.68	1.06	1.28	1.49	1.58	1.48	1.51	1.96
5 years	1.58	1.64	1.69	1.95	2.01	1.77	1.79	2.19
10 years	2.90	2.20	2.24	2.49	2.48	2.19	2.20	2.41
United Kingdom								
3 years	0.85	0.79	0.82	0.19	0.25	0.23	0.39	0.51
5 years	1.72	1.27	1.25	0.57	0.60	0.50	0.63	0.74
10 years	2.93	1.87	1.88	1.39	1.21	1.05	1.21	1.22
Japan								
3 years	0.13	0.00	0.00	-0.14	-0.19	-0.11	-0.13	-0.13
5 years	0.21	0.06	0.04	-0.08	-0.13	-0.08	-0.11	-0.10
10 years	0.68	0.38	0.30	0.06	0.07	0.06	0.03	0.05

Source: Thomson Datastream.

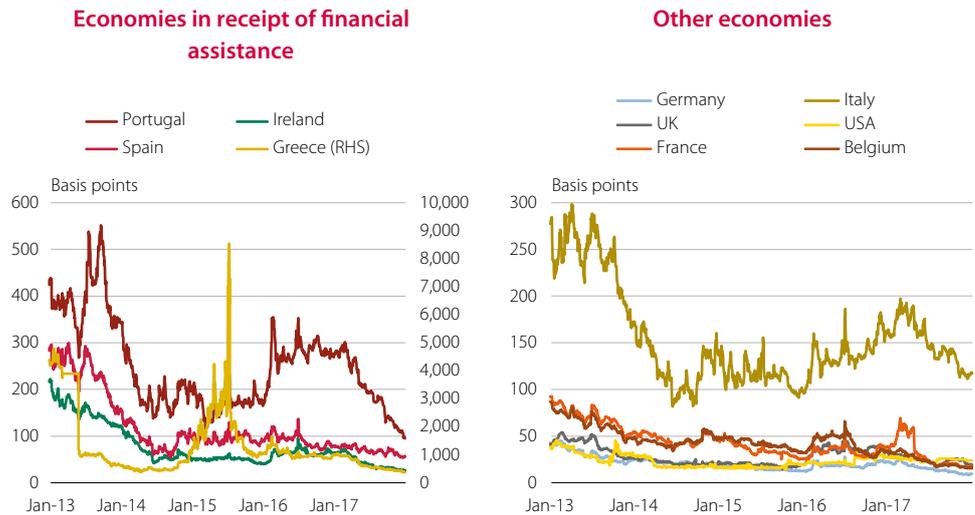
1 Monthly average of daily data. Data to 31 December.

Sovereign risk premiums (as gleaned from five-year CDS contracts) fell significantly in the peripheral euro area countries, and more moderately in the other advanced economies. In 2017, risk premiums fell in Spain (22 bp), France (21 bp) and Germany (13 bp) to 57, 17 and 10 bp, respectively, as a result of the consolidation of economic growth and the dissipation of certain sources of political uncertainty in the region. The most significant decreases were recorded in Portugal (183 bp) and Italy

(46 bp), which fell to 95 and 118 bp, respectively, as a result of improvements in their ratings. Particularly noteworthy was the reduction in the sovereign risk premium of the Greek CDS (621 bp, down to 382 bp), which coincided with approval of the release of an additional tranche of 8.5 billion euros in financial support offered by the European Stability Mechanism (ESM). The US and UK sovereign risk premiums stood at 24 and 19 bp, respectively, at the end of December, very similar to the levels recorded at year-end 2016 (see Figure 4).

Sovereign credit spreads (five-year CDS)

FIGURE 4

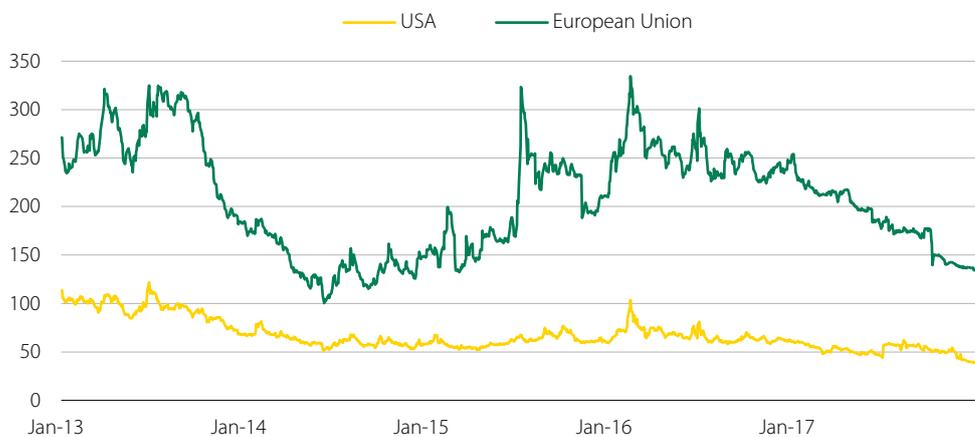


Source: Thomson Datastream. Data to 15 December.

Risk premiums of European banks fell over 2017 as the same factors that pushed down sovereign risk premiums, i.e., consolidation of economic recovery and reduction in political uncertainty, led to positive changes in the outlook for the banking sector. In this context, the spreads of the banking sector as a whole fell by 120 bp in 2017 to 134 bp at the end of December. The risk premium of the US banking sector was much more stable and only fell by 22 bp to 39 bp.

Bank sector credit spreads (five-year CDS)

FIGURE 5



Source: Thomson Datastream, indices drawn up by CMA. Data to 31 December.

Spreads on corporate debt fell over 2017 in the major advanced economies, particularly in lower quality corporate bonds, which reflects a widespread increase in the appetite for risk. These falls were more moderate in the United States, where spreads on high-yield bonds stood at 377 bp at the end of December, accumulating an annual fall of 32 bp. Over the same period, the spread on corporate debt with the worst credit rating in the euro area recorded a higher fall (70 bp) to stand at 398 bp against a backdrop of extremely low interest rates, which encourages the search for higher returns.

Corporate bond spreads¹

TABLE 5

Spread vs. the ten-year government bond, basis points

	Dec-13	Dec-14	Dec-15	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
Euro area²								
High yield	366	519	542	469	432	416	385	398
BBB	130	129	169	143	132	125	109	104
AAA	21	14	124	75	68	71	56	54
United States								
High yield	346	478	654	408	375	383	383	377
BBB	104	161	211	141	132	136	131	122
AAA	66	59	68	56	65	58	54	44

Source: Thomson Datastream.

1 Monthly average of daily data. Data to 31 December.

2 Spread over the German bond.

Net issuance on global debt markets amounted to 2.04 trillion dollars in 2017, 21.4% down on 2016. By sector, corporate debt issues rose by 9.9% to 1.44 trillion dollars, while sovereign bonds fell significantly (by 53% to 599 billion dollars) mainly as a result of the fall recorded in the United States. Net issuance fell in all the other regions studied (see Figure 6).

Net debt issuance in the United States fell to 800 billion dollars in 2017 (1.2 trillion dollars in 2016). The fall was concentrated in government bonds (-9 billion dollars in net terms in 2017 compared with 533 billion dollars in 2016) due to the restrictions linked to the debt ceiling. In contrast, private sector issuance rose by 20.6% on the previous year to 808 billion dollars, as corporations took advantage of the current financing conditions in the expectation that the Federal Reserve will tighten its monetary policy in the coming year.

Net debt issuance in Europe amounted to 155 billion dollars (27 billion dollars down on 2016). Sovereign debt issuance fell to 71 billion dollars (40 billion dollars down on 2016). In the private sector, in an environment of low interest rates which continued to encourage funding through the markets, the improvement in the outlook for the financial sector led to net debt issuance by this sector once again becoming positive in the second half of the year for the first time since 2014, although in annual terms it remained negative (-55 billion dollars compared with -88 billion dollars recorded in 2016). Even though non-financial companies recorded increases in gross issues, the greater volume of maturity debt meant that, in net terms, the cumulative amount over the year stood at 139 billion dollars, 20 billion dollars down on 2016.

Net international debt issuance

FIGURE 6



Source: Dealogic. Half-yearly data to 31 December.

2.4 International stock markets

The major equity indices performed unevenly in the fourth quarter of the year. The US and Japanese indices were at the forefront of the increases, while the performance of European indices was more varied. The Dow Jones index, the S&P 500 and the Nasdaq rose significantly (10.3%, 6.1% and 6.3%, respectively) and Japan's Nikkei recorded an even greater increase, 11.8%, supported by the results of the elections held in Japan in October, which provided political stability and indicated a continuation of the fiscal and monetary stimulus package applied over recent years. In Europe, the German Dax 30 index recorded a slight gain (0.7%), while the other indices recorded losses (the French Cac 40 fell by 0.3% and Italy's Mib 30 and Spain's Ibex 35 fell by 3.7% and 3.3%, respectively), partly reflecting national political uncertainties and tensions.

In the year as a whole, the leading stock indices recorded significant gains, generally as a result of the strength of economic growth worldwide and low interest rates. The largest gains were recorded in the United States, where indices rose by between 19% and 28%, largely as a result of the positive position of the employment market

and the healthy outlook as a result of the tax reform that is expected to have a positive impact on corporate income statements in the United States. Gains in European stock markets were more moderate, ranging between 7.4% and 13.6%. At the lower end of the range were the British FTSE 100 index, which rose by 7.6% in the context of weak economic growth and uncertainty surrounding the Brexit negotiations, and the Ibex 35, with a gain of 7.4%.

Performance of main stock indices¹ (%)

TABLE 6

	2014	2015	2016	2017	Mar-17	Jun-17	Sep-17	Dec-17
World								
MSCI World	2.9	-2.7	5.3	20.1	5.9	3.4	4.4	5.1
Euro area								
Eurostoxx 50	1.2	3.8	0.7	6.5	6.4	-1.7	4.4	-2.5
Euronext 100	3.6	8.0	3.0	10.6	5.6	0.0	5.1	-0.4
Dax 30	2.7	9.6	6.9	12.5	7.2	0.1	4.1	0.7
Cac 40	-0.5	8.5	4.9	9.3	5.4	0.0	4.1	-0.3
Mib 30	0.2	12.7	-10.2	13.6	6.5	0.4	10.3	-3.7
Ibex 35	3.7	-7.2	-2.0	7.4	11.9	-0.2	-0.6	-3.3
United Kingdom								
FTSE 100	-2.7	-4.9	14.4	7.6	2.5	-0.1	0.8	4.3
United States								
Dow Jones	7.5	-2.2	13.4	25.1	4.6	3.3	4.9	10.3
S&P 500	11.4	-0.7	9.5	19.4	5.5	2.6	4.0	6.1
Nasdaq-Cpte	13.4	5.7	7.5	28.2	9.8	3.9	5.8	6.3
Japan								
Nikkei 225	7.1	9.1	0.4	19.1	-1.1	5.9	1.6	11.8
Topix	8.1	9.9	-1.9	19.7	-0.4	6.6	3.9	8.5

Source: Datastream.

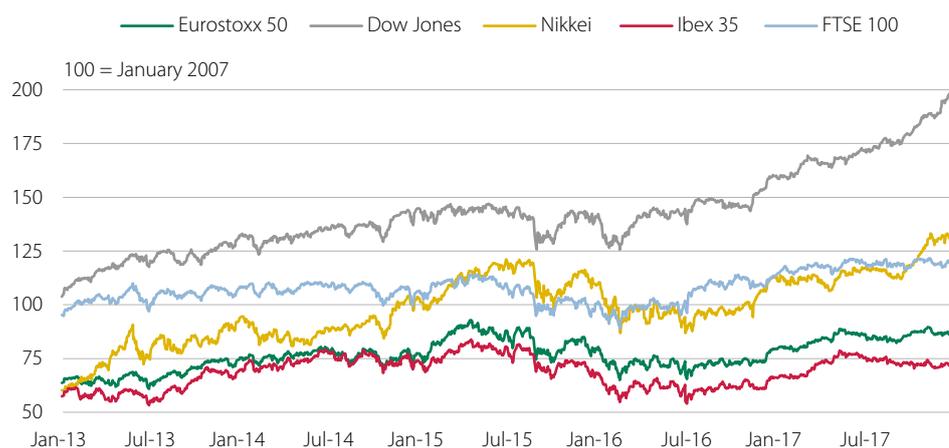
¹ In local currency. Data to 31 December.

The gains recorded across the board by the major stock indices were accompanied by historically low volatility levels, which over the year ranged between the 5% of the Eurostoxx 50 and the 15% of the Dow Jones (see Figure 7). In the case of the Ibex 35, volatility reached 20% in October and although this figure is not high compared with the historic average, it temporarily stood out from the volatility of the other European markets as a result of domestic political tensions at that time. In December, Ibex 35 volatility once again fell to levels close to 10%.

The implied volatilities of international stock markets also remained at low levels. However, these levels contrasted with the high cost of tail risk hedging. In the case of the S&P 500, the VIX stood at historic lows (10%), while the SKEW index, which is based on the implied volatility of the options offering tail risk hedging, has followed an upward trend since 2016 and now stands at high levels (130%). This suggests that despite the relative calm in equity markets, changes in the factors which set the tone for investors' risk appetite, such as interest rate levels, or increases in geopolitical tensions, might trigger price adjustments in financial markets.

Performance of main stock indices

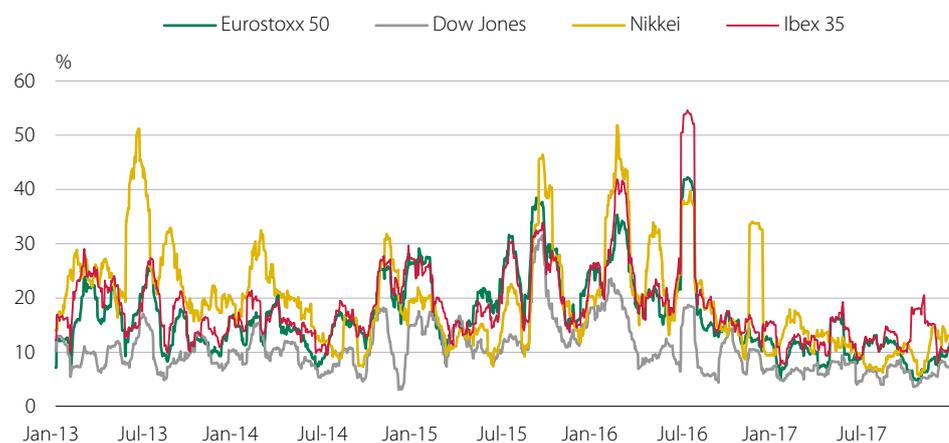
FIGURE 7



Source: Thomson Datastream. Data to 31 December.

Historical volatility of main stock indices

FIGURE 8



Source: Thomson Datastream. Data to 31 December.

The dividend yields of the main stock indices fell across the board over the year, although more notably in the euro area. The French Cac 40 index recorded a greater fall in its dividend yield, although at 4.4%, this remained above the figure recorded by other European indices. In Italy, the dividend yield of the Mib 30 fell by 0.4 points to 3.5%, while in Spain the dividend yield of the Ibex 35 fell by 0.1 points to 3.8%. The German Dax 30, which continued to offer one of the lowest dividend yields, fell by 0.2 points and stood at 2.6% in December. Outside the euro area, the dividend yield of the British FTSE 100 fell by 0.1 points to 4.1%, while that of the S&P 500 fell by 0.2 points to 2.2%.

Dividend yield of main stock indices (%)

TABLE 7

	2014	2015	2016	2017	Mar-17	Jun-17	Sep-17	Dec-17 ¹
S&P 500	2.3	2.6	2.5	2.2	2.4	2.4	2.4	2.2
Topix	1.7	1.9	1.9	1.8	1.9	1.9	1.8	1.8
Eurostoxx 50	4.2	4.0	4.1	3.9	4.0	3.8	3.8	3.9
Euronext 100	4.3	4.2	4.4	4.1	4.4	4.2	4.1	4.1
FTSE 100	4.1	4.8	4.1	4.0	4.1	4.2	4.3	4.0
Dax 30	2.8	2.7	2.7	2.6	2.7	2.6	2.6	2.6
Cac 40	5.0	4.7	4.9	4.4	4.8	4.5	4.5	4.4
Mib 30	3.2	2.9	3.9	3.5	4.0	3.9	3.5	3.5
Ibex 35	4.4	3.9	3.9	3.8	3.6	3.5	3.8	3.8

Source: Thomson Datastream.

¹ Data to 31 December.

The price-earning (P/E) ratios in the different stock indices performed fairly unevenly over the year (see Table 8). This ratio increased significantly in the S&P 500 index, reaching 18.5 in December (17.2 at year-end 2016), as a result of the sharp increase in the prices of the shares comprising the index. In Europe, the P/E ratio of the French Cac 40 index recorded the highest increase and stood at 14.5 (14.2 at year-end 2016), while the P/E ratio of the German Dax 30 remained virtually unchanged (13.3) and that of the Italian Mib 30 fell to 13.8 (14.3 at year-end 2016). Particularly noteworthy was the fall in the ratio for the Ibex 35, which in one year dropped from 14.3 to 13.6. The falls in the P/E ratios in Italy and Spain are the result of companies' earnings per share rising more than their share prices.

P/E ratio¹ of main stock indices

TABLE 8

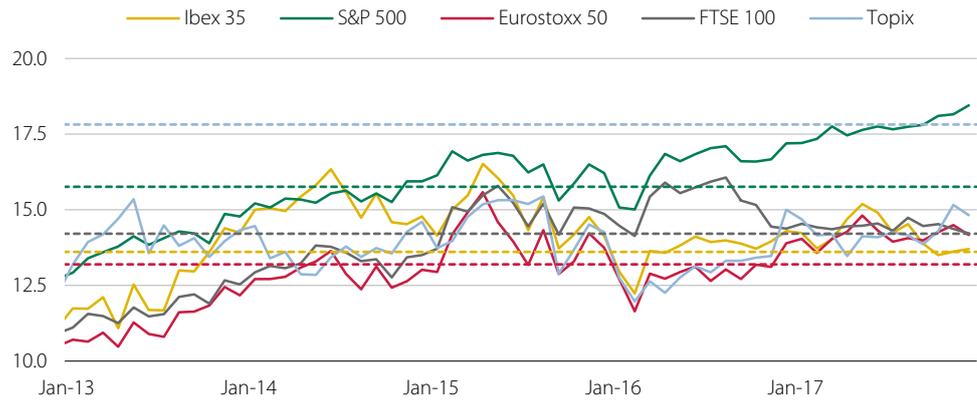
	2014	2015	2016	2017	Mar-17	Jun-17	Sep-17	Dec-17 ²
S&P 500	16.6	16.5	17.2	18.5	17.8	17.8	17.9	18.5
Topix	14.3	14.1	14.8	14.8	14.2	14.4	14.3	14.8
Eurostoxx 50	13.2	13.8	14.0	14.0	14.4	14.3	14.1	14.0
Euronext 100	14.2	15.3	15.3	15.8	15.6	15.7	15.7	15.8
FTSE 100	13.8	15.5	14.3	14.4	14.5	14.5	14.3	14.4
Dax 30	12.7	13.0	13.4	13.3	13.6	13.5	13.2	13.3
Cac 40	13.3	14.3	14.2	14.5	14.3	14.5	14.4	14.5
Mib 30	13.1	15.2	14.3	13.8	14.7	13.8	14.3	13.8
Ibex 35	14.9	14.1	14.3	13.6	14.8	14.6	13.6	13.6

Source: Thomson Datastream.

¹ The earnings per share making up the ratio denominator are based on 12-month forecasts.² Data to 31 December.

P/E ratio¹ of main stock indices

FIGURE 9



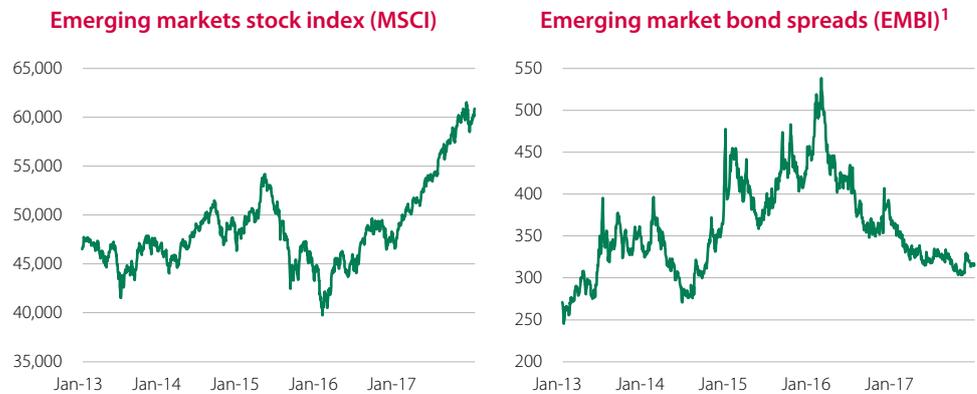
Source: Thomson Datastream. Data for the last session of each month. Data to 31 December.

1 The earnings per share making up the ratio denominator are based on 12-month forecasts. The dashed lines show each index's historical average since 2000.

The good performance of most emerging economies in the first half of last year, with positive surprises in the growth rates of China, Russia and some European emerging economies, led to significant price gains in their stock markets and notable reductions in risk spreads. The MSCI emerging market equity index gained 27.8% over the year, while the risk premium fell by 54 bp to stand at 311 bp at the end of December (see Figure 10).

Risk valuation in emerging economies

FIGURE 10



Source: Thomson Datastream and Bloomberg. Data to 31 December.

1 A country risk indicator (Emerging Markets Bond Index) computed as the difference between the yield of dollar-denominated emerging market sovereign bonds and the yield of the corresponding US bond.

Performance of other world indices

TABLE 9

	Index	2014	2015	2016	2017	Mar-17	Jun-17	Sep-17	Dec-17 ¹
Latin America									
Argentina	Merval	59.1	36.1	44.9	77.7	19.8	8.1	19.0	15.3
Brazil	Bovespa	-2.9	-13.3	38.9	26.9	7.9	-3.2	18.1	2.8
Chile	IGPA	3.5	-3.8	14.2	35.0	15.6	-0.8	12.2	4.9
Mexico	IPC	1.0	-0.4	6.2	8.1	6.4	2.7	1.0	-2.0
Peru	IGRA	-6.1	-33.4	58.1	28.3	1.2	2.4	14.9	7.7
Venezuela	IBC	41.0	278.1	117.3	3,883.4	38.4	181.1	296.8	158.0
Asia									
China	Shanghai Comp.	52.9	9.4	-12.3	6.6	3.8	-0.9	4.9	-1.2
India	BSE	32.3	-3.2	3.6	31.5	13.2	3.8	3.2	8.4
South Korea	Korea Cmp. Ex	-4.8	2.4	3.3	21.8	6.6	10.7	0.1	3.0
Philippines	Manila Comp.	22.8	-3.9	-1.6	25.1	6.9	7.3	4.2	4.7
Hong Kong	Hang Seng	1.3	-7.2	0.4	36.0	9.6	6.9	6.9	8.6
Indonesia	Yakarta Comp.	22.3	-12.1	15.3	20.0	5.1	4.7	1.2	7.7
Malaysia	Kuala Lumpur Comp.	-5.7	-3.9	-3.0	9.4	6.0	1.4	-0.5	2.3
Singapore	SES All-S'Pore	6.2	-14.3	-0.1	18.1	10.2	1.6	-0.2	5.7
Thailand	Bangkok SET	15.3	-14.0	19.8	13.7	2.1	0.0	6.2	4.8
Taiwan	Taiwan Weighted Pr.	8.1	-10.4	11.0	15.0	6.0	5.9	-0.6	3.0
Eastern Europe									
Russia	Russian RTS Index	-45.2	-4.3	52.2	0.2	-3.3	-10.1	13.6	1.6
Poland	Warsaw G. Index	0.3	-9.6	11.4	23.2	11.9	5.4	5.4	-0.8
Romania	Romania BET	9.1	-1.1	1.2	9.4	13.9	-2.7	0.3	-1.6
Bulgaria	Sofix	6.2	-11.7	27.2	15.5	8.1	11.0	-2.2	-1.5
Hungary	BUX	-10.4	43.8	33.8	23.0	-1.2	11.3	5.9	5.6
Croatia	CROBEX	-3.1	-2.8	18.1	-7.6	-0.3	-6.2	-2.9	1.8

Source: Thomson Datastream.

1 Data to 31 December.

Emerging stock markets generally recorded significant gains in 2017 (see Table 9). In Latin America, the Brazilian Bovespa index rose by 26.9%, although the price increases were concentrated in the third quarter (18.1%) as a result of growth rates returning to positive figures and as a result of the expectation that a set of reforms perceived as favourable to the market would be approved. In Asia, where significant gains were recorded in most stock indices, the Shanghai Composite was at the lower end of the range with a rise of 6.6% between January and December. The Russian RTS Index performed irregularly over the year, with falls of 13.1% in the first half, which reflected doubts about the evolution of oil prices and the impact of international economic sanctions, and gains of 15.3% in the second half of the year compared with the levels at the end of June. As a result of the above, the index rose overall in 2017 by 0.2%.

According to figures published by the World Federation of Exchanges and the Federation of European Securities Exchanges, movements in trading volumes on leading

stock markets and multilateral trading facilities (MTF) were uneven in the different geographical areas over 2017. While in the United States trading fell across the board with total stock market trading amounting to 30.9 trillion euros, 11% down on 2016, no uniform trend was seen in Europe. Two European platforms recorded reductions in trading volume – BATS Europe and SMN Turquoise – with the latter falling by over 30% compared with 2016. The most noteworthy increases in trading volume were recorded in Euronext and Deutsche Börse (8% and 11% on 2016, respectively). Both the London Stock Exchange and BME maintained trading volumes similar to those recorded in 2016.

Trading volumes on main international stock markets

TABLE 10

Billion euros

	2014	2015	2016	2017	Mar-17	Jun-17	Sep-17	Dec-17 ¹
Market operator								
United States ²	31,349	40,094	38,089	30,915	9,128	9,132	6,982	5,697
Nasdaq OMX	9,296	11,350	10,023	9,188	2,526	2,657	2,328	1,664
NYSE	12,054	15,850	15,679	11,702	3,727	3,626	2,160	2,234
BATS Global Markets	9,999	12,893	12,387	10,025	2,876	2,850	2,494	1,799
Japan Exchange Group	4,135	5,025	5,086	4,695	1,236	1,295	1,164	985
London Stock Exchange Group	2,099	2,402	2,070	1,908	533	544	477	354
NYSE Euronext	1,483	1,883	1,598	1,585	406	465	404	305
Deutsche Börse	1,116	1,411	1,182	1,202	318	321	316	244
BME ³	882	958	652	651	160	205	128	158
Cboe Equities Europe ⁴	1,978	2,862	2,396	1,987	558	578	497	354
Multilateral trading facility (MTF)								
Turquoise	858	973	1,224	764	240	230	179	115

Source: World Federation of Exchanges, Federation of European Securities Exchanges and CNMV

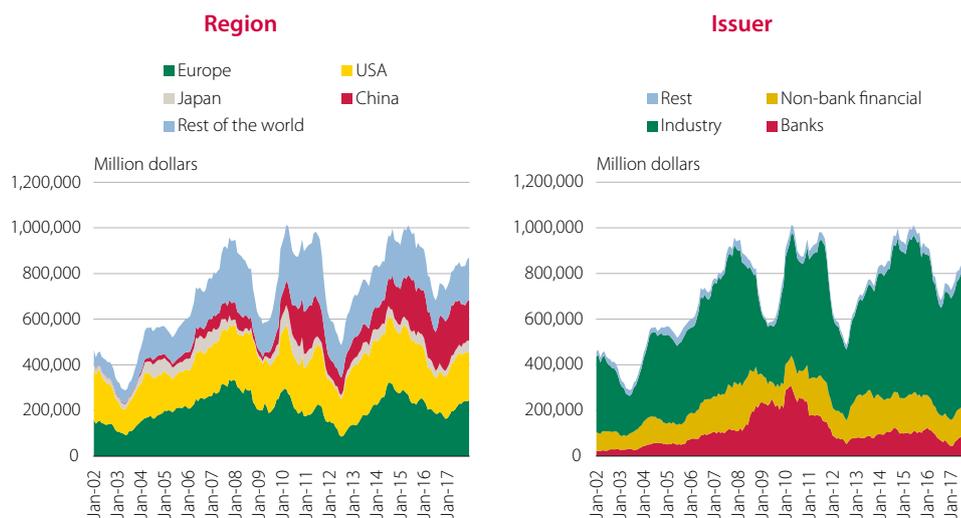
1 Data to 30 November except BME, to 31 December.

2 As of 2009, the sum of Nasdaq OMX, New York Stock Exchange (NYSE), Euronext and BATS Global Markets

3 Bolsas y Mercados Españoles. Not including Latibex.

4 BATS Europe until February 2017, when it was acquired by the Cboe Global Markets group.

Equity capital raised on international markets totalled 870 billion dollars over full-year 2017, 19.7% up on the total for 2016. This increase was the result of the widespread gains in equity prices worldwide, which have been buoyed by the positive performance of global economic activity. Total issuance in 2017 rose on the previous year in all regions except China, where the volume fell by 17.6%. In particular, equity issuance in Europe grew by 49.2% to 243 billion dollars, while in the United States it grew at a more moderate rate to total 211 billion dollars, 14.5% up on 2016. The breakdown by sector shows widespread increases in issues with the exception of utilities, which recorded a fall of 29%. The banking sector, which had recorded a low level of issuance in 2016, was at the forefront with an increase of 134%, followed by financial companies as a whole (21%) and industrial companies (14%).

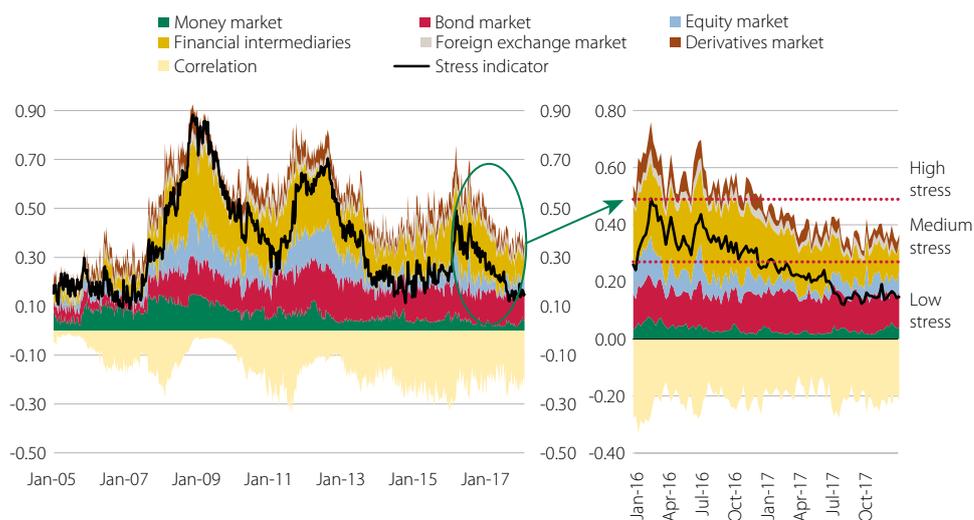


Source: Dealogic. Cumulative twelve-month data to 31 December.

3 Recent trends in Spanish markets

The stress indicator of Spanish financial markets remained very low practically throughout the year, standing at 0.15 at the end of December (stress is considered to be low at below 0.27).³ The indicator did not record any significant upturns at any of the times of greatest uncertainty in the year, such as those relating to the Banco Popular resolution process or the political crisis in Catalonia. The highest stress level was generally recorded in the fixed-income segment due to occasional upswings in volatility and the loss of liquidity of these instruments. It should be pointed out that the stress indicator is based on information on risk spreads, volatility, liquidity and, in addition, sharp falls in prices. It therefore measures the current stress in the market which, as in the rest of Europe and in other advanced economies, is very low, but it does not forecast future stress. There are other indicators with different characteristics that may anticipate some risks in the market. For example, those which aim to measure the risk of extreme events (referred to as tail events) have increased significantly over recent months.

3 The stress indicator calculated by the CNMV provides a real-time measurement of systemic risk in the Spanish financial system in the range of zero to one. To do so, it assesses stress in six segments of the financial system and aggregates them into a single figure bearing in mind the correlation between said segments. Econometric estimates consider that market stress is low when the indicator stands below 0.27, intermediate in the interval of 0.27 to 0.49, and high when readings exceed 0.49. For more detailed information on the recent progress of this indicator and its components see the CNMV's quarterly *Financial Stability Note* and statistical series (market stress indicators) available at <http://www.cnmv.es/portal/menu/Publicaciones-Estadisticas-Investigacion>. For further information on the indicator's methodology, see Cambón, M. I. and Estévez, L. (2016). "A Spanish Financial Market Stress Index (FMSI)", *Spanish Review of Financial Economics* 14, January (1), 23-41 (or CNMV Working Paper No. 60: http://www.cnmv.es/DocPortal/Publicaciones/MONOGRAFIAS/Monografia_60_en.pdf).



Source: CNMV.

3.1 Fixed-income markets

Debt markets in Spain, as in other European countries, remained relatively stable over the final months of 2017, with temporary upswings in yields on Spanish government bonds as a result of the political crisis in Catalonia. Although the markets expected some kind of sign regarding a toughening of the ECB's policy at the start of the autumn, the European monetary authority opted to maintain its expansive monetary policy virtually unchanged and merely reduced the amount of its asset purchase programme by half as from January 2018. This led to further easing of medium and long-term rates of European debt, both public and private, in response to the expectation that any additional tightening of the ECB's monetary policy would be postponed until the end of the first half of the coming year at the earliest. In this context, the rates of both Spanish and European public debt closed the year at similar, and even lower, levels than those recorded in 2016 across most maturities. The falls in rates were sharper in long-term private fixed-income, particularly bonds with longer maturities, as these assets were favoured by the ECB's corporate sector purchase programme.

The sovereign risk premium, which rose slightly at the start of the fourth quarter of the year as a result of political uncertainties associated with the political crisis in Catalonia, stood at the end of December at similar levels to those of the third quarter and slightly below year-end 2016. It may therefore be considered that this crisis has not yet had a significant impact on the Spanish fixed-income market. Debt issues registered with the CNMV once again fell over the full year (by 21.3%), despite the positive performance of the fourth quarter, in contrast with the growth in issues made abroad (52%).

Short-term government debt yields once again fell in the fourth quarter to new historic lows both in the primary and in the secondary market. Government debt yields have therefore spent two years in negative terrain in all the short-term section of the

curve and their movements result from the accommodative monetary policy of the ECB, whose official rates remain at historic lows. Therefore, at the end of December, the yield in the secondary market of three-month, six-month and twelve-month Letras del Tesoro stood at -0.62%, -0.45% and -0.42%, respectively, below the previous quarter and marginally below the minimum annual yield of -0.4% established by the ECB in its debt purchase programmes (deposit facility rate). In the primary market, all auctions of Letras del Tesoro were again settled at negative rates, with the latest auction performed in December settled at a similar rate to rates in previous auctions. Unlike Letras del Tesoro, corporate bond yields inched higher with increases of between 11 bp and 22 bp and were positive at all maturities. In December, the yields on these assets when issued stood at values ranging between 0.19% for the twelve-month benchmark and 0.39% for commercial paper at three months (see Table 11).

Short-term interest rates¹ (%)

TABLE 11

	Dec-13	Dec-14	Dec-15	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17 ²
Letras del Tesoro								
3 months	0.54	0.12	-0.15	-0.47	-0.42	-0.41	-0.42	-0.62
6 months	0.70	0.25	-0.01	-0.34	-0.35	-0.39	-0.39	-0.45
12 months	0.91	0.34	-0.02	-0.25	-0.28	-0.36	-0.36	-0.42
Commercial paper³								
3 months	1.09	0.55	0.31	0.18	0.36	0.18	0.28	0.39
6 months	1.36	0.91	0.42	0.20	0.20	0.42	0.04	0.26
12 months	1.59	0.91	0.53	0.15	0.14	0.10	-0.03	0.19

Source: Thomson Datastream and CNMV.

1 Monthly average of daily data.

2 Data to 31 December.

3 Interest rate at issuance.

Medium and long-term government bond yields began the quarter with increases due to the expectation that the ECB might tighten its monetary policy and also due to the increase in uncertainty resulting from the political crisis in Catalonia. However, the confirmation of the accommodative tone of monetary policy by the ECB, which maintains its public sector purchase programme (PSPP),⁴ as well as a relaxing of political uncertainty allowed rates to fall, with the benchmark ten-year bond yield at historic lows. At the end of the year, the yield on three, five and ten-year government bonds stood at -0.09%, 0.31% and 1.46%, respectively (see Table 12). The interest rate curve shows negative values up to the three-year maturity (see Figure 13), whose benchmark rate has been in negative terrain for four consecutive quarters and has reached a zone of historic lows. Interest rates for maturities between three and five years fell between 4 bp and 13 bp compared with December 2016, while those for ten-year maturities rose by 2 bp.

4 By the end of December, the ECB had acquired public debt for 1.89 trillion euros, of which 230.26 billion euros corresponded to Spanish debt.



Source: Thomson Datastream and Bloomberg. Data to 31 December.

In the case of corporate bonds, yields fell more sharply thanks to the positive impact of the ECB maintaining the corporate sector purchase programme (although at a lower volume),⁵ as well as the reduction in the credit spread of corporate debt. These factors, together with investors seeking out higher returns in the context of extremely low interest rates, have pushed corporate bond yields to historic lows across all maturities on the curve. Despite the risk of significant falls in the prices of these assets in the event of any upturn in interest rates, investors continue to seek out this type of debt, including high-yield bonds. The falls in corporate bond yields in the year to date have ranged between the 25 bp and 102 bp, rates which are significantly higher than those recorded for government bonds. In mid-December, yields on three, five and ten-year corporate bonds stood at 0.44%, 0.41% and 1.16%, respectively, which implies a negative spread of 30 bp in the ten-year maturity and a positive spread (between 10 bp and 53 bp) in the three and five-year maturities.

Medium and long-term corporate bond yields¹ (%)

TABLE 12

	Dec-13	Dec-14	Dec-15	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17 ²
Government bonds								
3 years	2.00	0.65	0.24	0.04	-0.02	-0.15	-0.07	-0.09
5 years	2.68	0.96	0.72	0.35	0.51	0.22	0.31	0.31
10 years	4.14	1.77	1.73	1.44	1.76	1.46	1.57	1.46
Corporate bonds								
3 years	2.63	0.84	0.66	0.69	0.45	0.62	0.55	0.44
5 years	2.84	1.88	1.95	1.43	1.50	1.05	0.91	0.41
10 years	4.46	2.32	2.40	2.14	1.96	1.82	1.92	1.16

Source: Thomson Datastream, Reuters and CNMV.

1 Monthly average of daily data.

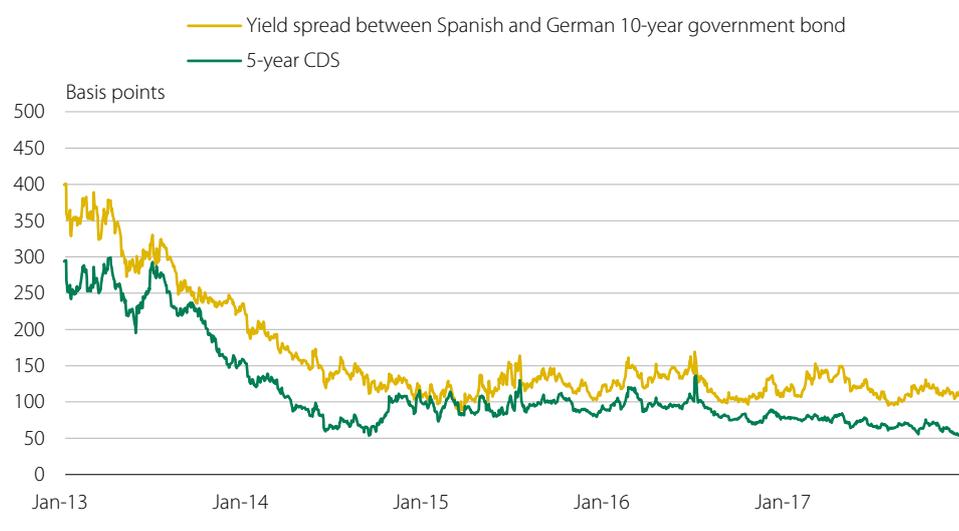
2 Data to 31 December.

⁵ The amount of the monthly debt purchases by the ECB (which include both sovereign and corporate bonds) will fall to 30 billion euros as from January 2018, compared with the current 60 billion euros per month.

The sovereign risk premium began the quarter with increases as a result of the uncertainty created by the institutional crisis in Catalonia. Subsequently, factors such as the ECB maintaining its public sector purchase programme, the good rate of economic growth and the easing of political risks modified the trend of this indicator, which ended the quarter at a figure similar to the previous quarter. Accordingly, the risk premium, measured as the spread between the Spanish sovereign bond and the ten-year German bond, stood at 114 bp at year-end 2017, slightly below the value for year-end 2016 (118 bp) and in a medium range between the annual high in February (153 bp) and the annual low in July (95 bp). The risk premium measured by using the CDS of the Spanish sovereign bond traced a similar path, but dropped a little more in the fourth quarter of the year (around 7 bp). It therefore closed the quarter at 57 bp, a distant cry from the 79 bp recorded at year-end 2016 (see Figure 14).

Risk premium paid by Spanish issuers: public sector

FIGURE 14



Source: Thomson Datastream and CNMV. Data to 31 December.

Movements in risk premiums in the private subsectors of the economy were a little more favourable than in the public sector, particularly the risk premium of financial institutions, which fell over practically the whole year. This improvement was the result of banks' stronger balance sheets, the expectations of a normalisation in European monetary policy with a scenario of rising interest rates and, although there has been no specific purchase programme for debt issued by financial institutions, the positive effect of the covered bond purchase programme (CBPP3) and the asset-backed securities purchase programme (ABSPP).⁶ The risk premiums of large non-financial companies also performed positively as they continue to benefit from the corporate sector purchase programme (CSPP),⁷ in which the main Spanish corporate bond issuers are included as eligible issuers with eligible assets. As shown in

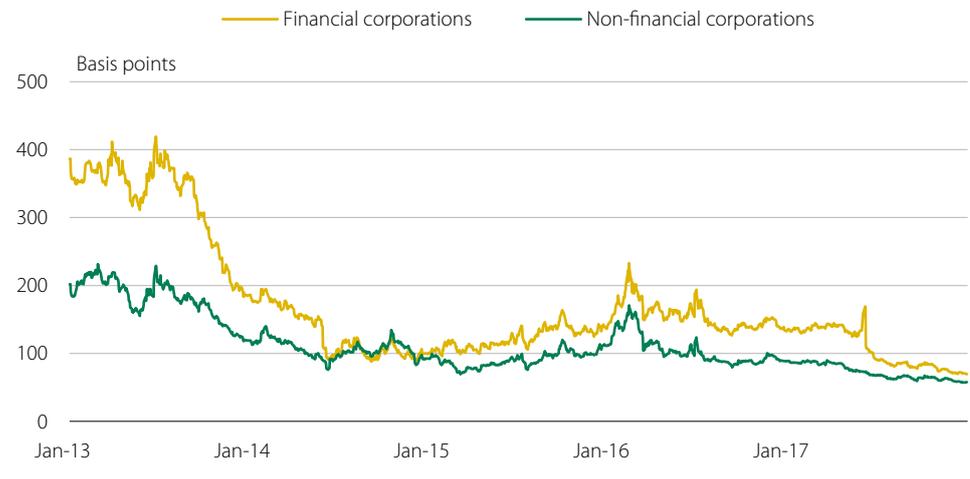
6 Up to 29 December, the covered bond purchase programme (CBPP3) had accumulated purchases of covered bonds for an amount of 240.69 billion euros (one third of which were bought on the primary market), while the asset-backed securities purchase programme (ABSPP) held a balance of 25.02 billion euros of asset-backed securities (45% of which were bought on the primary market).

7 Up to 29 December, the CSPP programme held a balance of 131.59 billion euros, 15% of which were bought at the time of issuance.

Figure 15, the average of the CDS of Spanish financial institutions stood at 70 bp at the end of December, below the 85 bp at the end of the third quarter and a long way from the 136 bp at the start of the year. Meanwhile, in the case of non-financial companies, the average of the risk premiums on the same date was 58 bp, its annual low, compared with 63 bp and 89 bp at the end of the previous quarter and the start of the year, respectively.

Risk premium paid by Spanish issuers: private sector¹

FIGURE 15



Source: Thomson Datastream and CNMV. Data to 31 December.

1 Simple average of the five-year CDS of a sample of corporations.

In an environment which remains favourable to fixed-income issues thanks to the falls in risk premiums and the ECB's ongoing purchase programmes, corporate bond issues registered with the CNMV and those carried out abroad traced different paths over the year. While the former fell by 21.3% in the year as a whole, the data to November (latest available) on the latter indicate an increase of 51.9% compared with the same period of 2016. However, issues registered with the CNMV recovered in the fourth quarter thanks to several issues of asset-backed securities of significant amounts, as well as an issue of bonds of the SAREB (Asset Management Company for Assets Arising from Bank Restructuring) for an amount greater than 10 billion euros.

In full-year 2017, fixed-income issues registered with the CNMV amounted to 109.5 billion euros, 21.3% down on 2016 and the lowest volume of recent years. All categories recorded falls in volumes issued, with the largest falls in uncovered bonds, territorial bonds and asset-backed securities. In the case of mortgage bonds, a large part of the issues corresponded to the renewal of issues that had matured, given that the issued volume remains dependent on the balance of outstanding mortgage loans, which continues to fall;⁸ while issues of territorial bonds are limited by the evolution of lending to the autonomous regions and local authorities. Issues of asset-backed securities fell by 17.2% to 29.42 billion euros as a result of the lower funding needs of financial institutions thanks to the ECB. The issued volume of

8 Up to November, according to Bank of Spain data, the mortgage loan balance fell by 2.9% year-on-year to 529.37 billion euros.

uncovered bonds stood at 30.01 billion euros, 25.3% down on 2016, due to the fact that part of the issues of uncovered bonds by large Spanish companies is performed abroad. As indicated, in the last quarter of the year there was an upturn in registered issues, which amounted to almost 48 billion euros in the period. The breakdown by instrument reveals that the largest increases in this quarter were recorded in asset-backed securities, uncovered bonds and mortgage bonds.

Gross fixed-income issues registered with the CNMV

TABLE 13

	2014	2015	2016	2017	2017			
					I	II	III	IV ¹
NOMINAL AMOUNT (million euros)	130,258	136,907	139,028	109,446	25,429	23,050	13,156	47,811
Mortgage bonds	23,838	31,375	31,643	29,824	2,250	9,050	5,175	13,349
Territorial bonds	1,853	10,400	7,250	350	0	350	0	0
Non-convertible bonds and debentures	41,155	39,400	40,170	30,005	13,486	2,763	1,125	12,631
Convertible/exchangeable bonds and debentures	750	53	0	0	0	0	0	0
Securitisation bonds	29,008	28,370	35,505	29,415	6,525	3,594	2,969	16,328
Spanish tranche	28,175	25,147	32,229	26,659	5,463	1,899	2,969	15,373
International tranche	833	3,222	3,276	2,757	1,062	1,695	0	954
Commercial paper ²	33,654	27,310	22,960	17,871	3,168	6,293	2,906	5,504
Securitised	620	2,420	1,880	1,800	0	1,000	0	800
Other commercial paper	33,034	24,890	21,080	16,071	3,168	5,293	2,906	4,704
Other fixed-income issues	0	0	1,500	981	0	0	981	0
Preferred shares	0	0	0	1,000	0	1,000	0	0
Pro memoria:								
Subordinated issues	7,999	5,254	4,279	6,442	1,520	1,956	1,370	1,596
Underwritten issues	196	0	421	0	0	0	0	0

Abroad by Spanish issuers

	2014	2015	2016	2017 ³	2017			
					I	II	III	IV ³
NOMINAL AMOUNT (million euros)	56,722	66,347	58,587	79,796	22,058	21,633	22,701	13,404
Long term	35,281	33,362	31,655	56,971	17,717	17,031	14,931	7,291
Preferred shares	5,602	2,250	1,200	4,994	0	2,000	1,750	1,244
Subordinated debt	3,000	2,918	2,333	5,399	3,381	968	1,050	0
Bonds and debentures	26,679	28,194	28,122	46,578	14,337	14,063	12,131	6,047
Securitisation bonds	0	0	0	0	0	0	0	0
Short term	21,441	32,984	26,932	22,825	4,341	4,602	7,770	6,113
Commercial paper	21,441	32,984	26,932	22,825	4,341	4,602	7,770	6,113
asset-backed	0	0	0	0	0	0	0	0

Pro memoria: Gross issues of subsidiaries of Spanish companies resident abroad

	2014	2015	2016	2017 ³	2017			
					I	II	III	IV ³
NOMINAL AMOUNT (million euros)	42,170	55,286	56,674	58,166	15,821	15,655	12,149	14,541
Financial institutions	10,201	14,875	11,427	16,148	3,785	4,125	3,777	4,461
Non-financial companies	31,969	40,411	45,247	42,018	12,036	11,530	8,372	10,080

Source: CNMV and Bank of Spain.

1 Data to 31 December.

2 Figures for commercial paper issues correspond to the amounts placed.

3 Data to 30 November.

Fixed-income issues by Spanish issuers abroad (up to 30 November) amounted to close to 80 billion euros, 51.9% up on the same period of 2016. This amount, which accounts for over 46% of the total issued by Spanish issuers, was the result of the sharp increase in long-term issues (56.97 billion euros), which stood at double the amount recorded in 2016. This increase is largely explained by the fact that these assets are considered eligible for the ECB's corporate sector purchase programme and by the low cost of issuance. Finally, issues by subsidiaries of Spanish companies abroad also grew, although more modestly (9.1% to 58.17 billion euros), with a noteworthy increase in issues made by financial institutions.

3.2 Equity markets

3.2.1 Prices

Domestic equity markets recorded moderate falls in the fourth quarter of the year, thus repeating the downward movements of the previous quarter and showing greater reductions than the main European stock markets as a result of domestic political uncertainties. Following price increases in the first half of the year, investors chose to collect part of their gains for the year against a backdrop of greater uncertainty. In particular, the Ibex 35 fell by 3.3% in the last quarter of the year, recording a worse performance than most of the main benchmark European indices,⁹ which performed more positively in an environment of consolidated European economic growth and the delay in normalisation of the ECB's monetary policy. Volatility remained largely unchanged at moderate levels, while trading recovered (the proportion of equity trading abroad stabilised at around one third of the total traded volume). Share prices performed unevenly, with the greatest falls concentrated in large companies, the telecommunications sector and banks, while motorway concession and steel companies performed positively.

The Ibex 35, which began the year with significant gains – of 11.9% in the first quarter – recorded slight falls in the second and third quarters, which intensified in the last quarter of the year, which reduced part of its initial gains and led to it ending the year at around 10,044 points, an increase of 7.4% over the year.¹⁰ The reductions in the fourth quarter were mostly concentrated in the large-cap companies of the Ibex 35, while mid-cap companies recorded a small decrease (-0.2%). In contrast, small-cap companies gained 15.1%. Although they have a greater exposure to domestic risks, they benefited from the positive performance of the Spanish economy and of foreign trade in those companies which trade abroad. They therefore gained 31.4% over the full year, over four times the gain recorded by larger companies. Furthermore, following a third quarter with significant gains, Latin American shares listed in euros once again recorded significant falls as a result of the depreciation of the leading Latin American currencies against the euro.¹¹ For the year as a whole,

9 The German Dax 30 and the British FTSE 100 recorded gains of 0.7% and 4.3% (in sterling), respectively, while the European Eurostoxx 50, the French Cac 40 and the Italian Mib 30 suffered losses of 2.5%, 0.3% and 3.7%, respectively.

10 Data to 31 December.

11 In 2017, the Brazilian real and the Mexican peso depreciated 13.8% and 7.6% against the euro, respectively.

the FTSE Latibex All-Share and FTSE Latibex Top indices recorded gains of 9% and 7.3%, respectively, thanks to the recovery of the share prices of Latin American companies and the positive performance of commodity prices.

As had been the case in the third quarter, the leading sectors once again performed negatively in the final part year although with certain variations. The steepest declines corresponded to the telecommunications, textile and banking sectors and, to a lesser extent, the oil and energy sectors. Despite the improvement in the financial sector, banks continue to face a difficult scenario as a result of low interest rates, growing competition from other intermediaries and the costs associated with regulatory changes. The accounts of the telecommunications sector show signs of the weakness of Latin American currencies, while the leading textile company faces growing online competition. Noteworthy among the sectors recording gains were steel companies and motorway concession companies. The former benefited from increases in steel prices and the possibility of greater restrictions on Asian imports.¹² In the latter case, they benefited from a competing bid to the takeover bid made for the largest Spanish motorway concession company. Similarly, it should be pointed out that on 20 November, the CNMV lifted the ban on establishing or increasing short positions in Liberbank shares, which had previously been extended twice.

Performance of the Spanish stock indices (%)

TABLE 14

	2014	2015	2016	2017	Mar-17	Jun-17	Sep-17	Dec-17 ¹
Ibex 35	3.7	-7.2	-2.0	7.4	11.9	-0.2	-0.6	-3.3
Madrid	3.0	-7.4	-2.2	7.6	11.8	-0.2	-0.4	-3.2
Ibex Medium Cap	-1.8	13.7	-6.6	4.0	4.3	3.3	-3.3	-0.2
Ibex Small Cap	-11.6	6.4	8.9	31.4	15.1	2.2	-2.8	15.1
FTSE Latibex All-Share	-16.1	-39.2	71.0	9.0	10.0	-9.7	12.4	-2.4
FTSE Latibex Top	-11.1	-34.6	67.8	7.3	12.4	-9.6	13.8	-7.2

Source: Thomson Datastream.

¹ Data to 31 December.

Ibex 35 volatility remained stable in the fourth quarter of the year without any significant changes compared with previous quarters. It remained moderate throughout the period and at the end of the year stood at around 14% (see Figure 16), slightly below the average for the year as a whole (15.5%). The volatility figures are slightly lower than those of the last two years, when the annual average reached levels of close to 24%. In addition, the evolution of volatility in the Spanish market is similar to that of the leading European markets, which are also in the area of historic lows. The volatility of the Eurostoxx 50 ended the year at slightly above 10%, as did the US VIX.

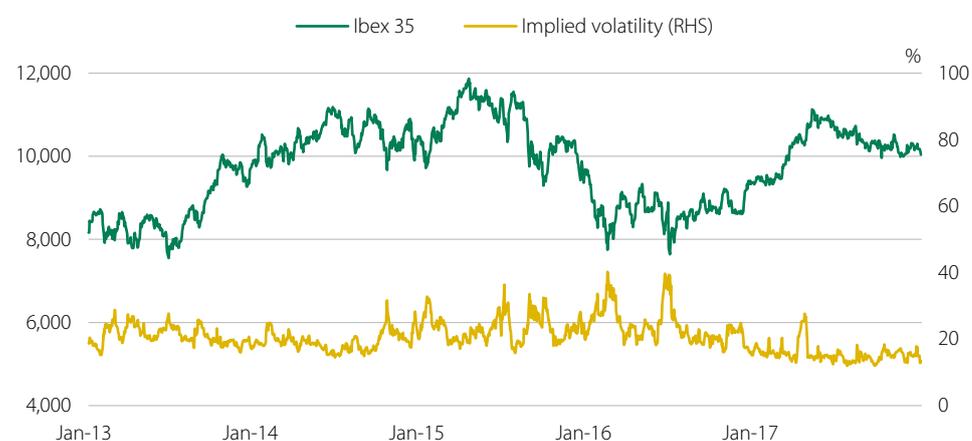
The six sectors making up the Madrid General Index (IGBM) all recorded significant gains over the year, except the consumer goods sector (which was weighed down by the slightly negative performance of the leading textile company) and the basic

¹² The Trump administration plans to impose new tariffs on imports of Chinese steel. This will benefit steel companies listed in Spain, which have an extensive presence in the United States.

materials, industry and construction sector, whose performance was similar to that of the previous year. The largest increases were concentrated in the financial and real estate services sector (10.5%) and in the consumer services sector (23.3%). The gains in the former were the result of the recovery of bank share prices (10.6%), while the gains in the latter resulted from the motorway sector (see Table 15).

Ibex 35 and implied volatility¹

FIGURE 16



Source: Thomson Datastream and MEFF. Data to 31 December.

1 At-the-money (ATM) implied volatility of the first maturity of Ibex 35 options traded on MEFF.

Performance of the Madrid stock exchange by sector and leading shares¹

TABLE 15

	Weighting ²	2016	2017	II 17	III 17	IV 17 ³
Financial and real estate services	39.55	-1.6	10.5	-0.5	2.6	-6.1
Real estate and others	0.26	-2.3	17.6	8.1	0.0	0.8
Banks	35.79	-1.8	10.6	-0.9	3.0	-6.6
BBVA	10.31	-1.3	12.9	1.8	4.1	-5.9
Santander	17.97	10.0	13.1	0.8	3.7	-6.6
Caixabank	3.19	3.7	23.9	5.4	1.4	-8.3
Oil and energy	17.72	0.8	3.9	-0.4	-1.0	-1.7
Iberdrola	8.28	-0.8	8.2	3.4	-3.2	-1.7
Repsol	3.41	39.6	16.0	-4.7	16.3	-3.0
Basic materials, industry and construction	8.43	2.0	2.6	-0.9	-8.9	4.4
Construction	4.53	-7.9	9.9	3.6	-6.4	4.0
Technology and telecommunications	12.66	-9.0	7.5	-6.1	2.7	-4.2
Telefónica	7.75	-10.4	-7.9	-13.8	1.7	-11.6
Amadeus IT	3.91	6.1	39.2	10.1	5.0	9.3
Consumer goods	12.88	0.2	-2.1	3.0	-3.9	-5.3
Inditex	8.91	2.3	-10.4	1.7	-5.1	-8.9
Consumer services	8.74	-8.0	23.3	7.2	-3.8	5.8

Source: Thomson Datastream, Bolsa de Madrid and BME.

1 Shares capitalising at more than 3% of the IGBM, adjusted for free float.

2 Relative weight (%) in the IGBM as at 30 June 2017.

3 Data to 31 December.

The oil and energy sector and the technology and telecommunications sector, both with a significant weighting in the composition of the index, recorded slightly smaller gains, with 3.9% and 7.6%, respectively, which were spread unevenly among the different subsectors and shares. Leading the gains were technology and oil companies – which benefited from the rise in crude prices – while at the opposite end was the leading telecommunications company, which has a heavy weighting in the index, which recorded a fall in 2017 of 7.9%.

A high number of the shares belonging to the IGBM recorded price increases over 2017, but only a limited number of them (which in turn form part of the Ibex 35 index) had an impact on index performance greater than 0.30 points. Eleven shares exerted a positive impact greater than this value (see Table 16), which include several banks (the largest two in terms of capitalisation), most of the medium-sized entities, as well as one technology company, one airport operator and one motorway concession company. In contrast, only three companies exerted a negative impact in excess of this threshold, including the largest listed telecommunications company and the top listed firm in the textiles, clothing and footwear sector.

Shares with greatest impact on IGBM change¹

TABLE 16

Share	Sector	Dec-2017
		Impact on IGBM change (pp) /Dec 16
Positive impact		
Banco Santander	Financial and real estate services	2.36
Amadeus	Technology and telecommunications	1.53
BBVA	Financial and real estate services	1.33
AENA	Consumer services	0.82
Abertis Infraestructuras	Consumer services	0.81
IAG	Consumer services	0.78
Caixabank	Financial and real estate services	0.76
Iberdrola	Oil and energy	0.68
Banco de Sabadell	Financial and real estate services	0.53
Repsol	Oil and energy	0.45
Grifols	Consumer goods	0.39
Negative impact		
Inditex	Consumer goods	-0.93
Telefónica	Technology and telecommunications	-0.61
Siemens Gamesa	Basic materials, industry and construction	-0.44

Source: Thomson Datastream and Bolsa de Madrid. Data to 31 December.

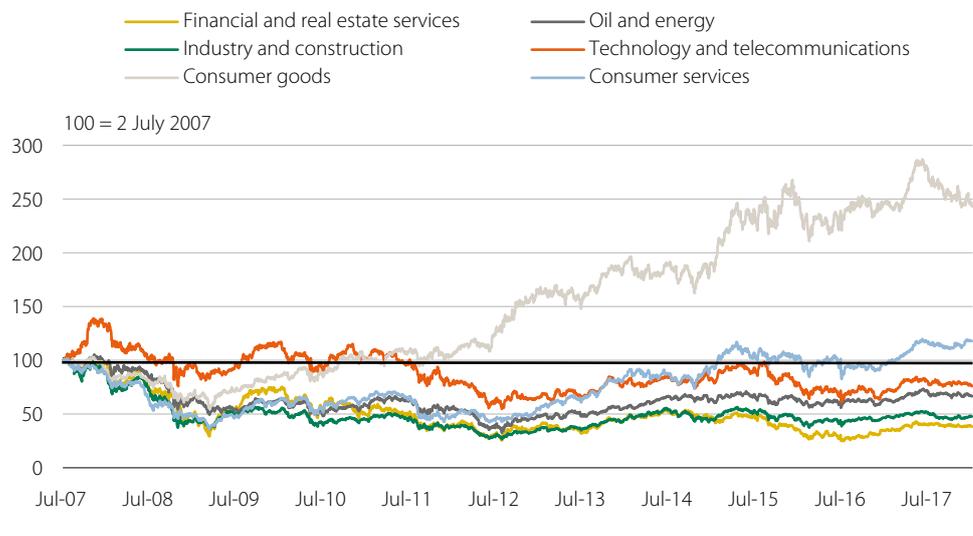
¹ The shares listed are those having most impact (equal to or more than 0.3 points in absolute terms) on the annual change in the IGBM. The sample comprises all shares that were neither delisted nor suspended from trading at the end of the period under consideration.

On a longer-term perspective, most of the IGBM sectors are trading at prices below those recorded prior to the start of the financial crisis, specifically in the middle of 2007. As shown in Figure 17, the steepest decline continues to be

recorded in financial and real estate service companies, despite the recovery that took place in 2017. In contrast, the consumer goods sector, which in 2017 recorded a very modest performance, has clearly performed better than the other sectors since the start of the financial crisis. This sector exceeded the pre-crisis values in 2011 and from that time continued a significant upward path as it has recorded gains to greater than double the initial baseline value. This gain stems from the performance of the leading company in the textile sector, which over the period has become the largest Spanish company in terms of market capitalisation. In 2017, the consumer services sector also managed to exceed pre-crisis values thanks to the sharp price increase of the only listed motorway company that is part of the sector.

Performance by sector of the Madrid Stock Exchange

FIGURE 17



Source: Thomson Datastream. Data to 31 December.

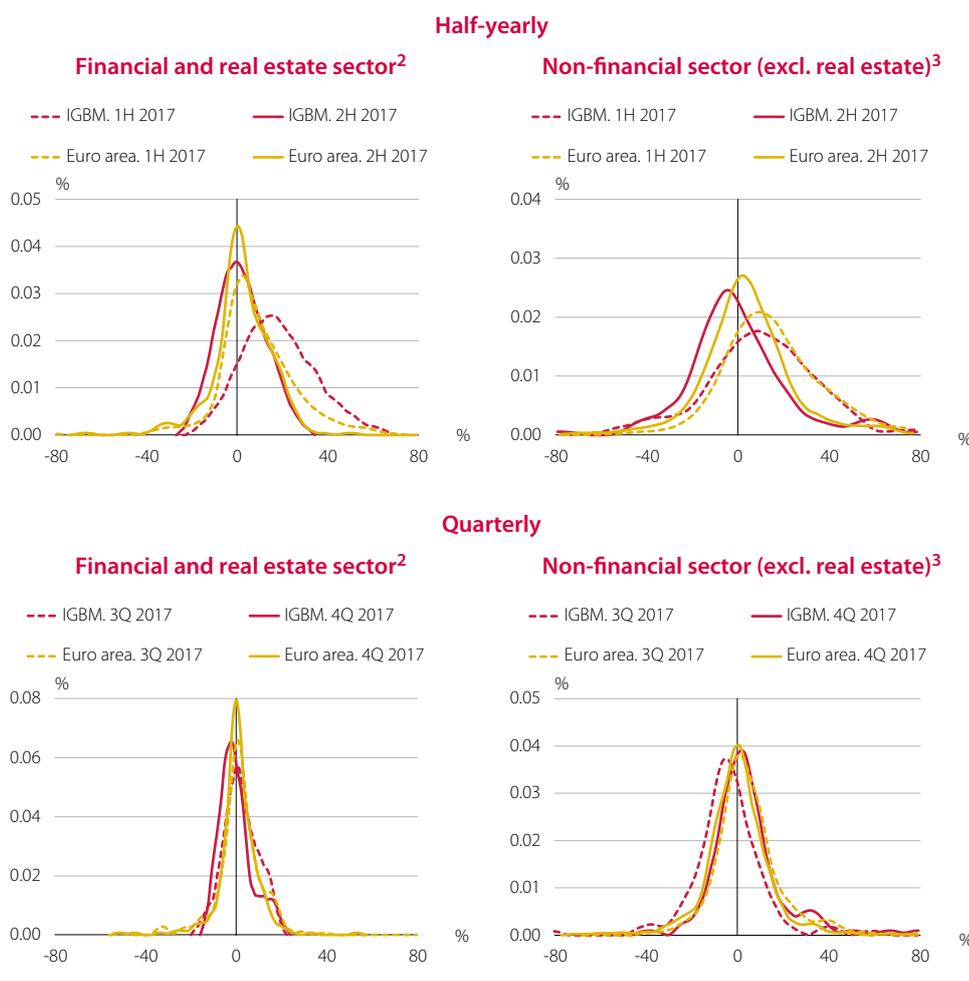
The distributions of the share returns of Spanish and European listed companies in the first half of the year revealed some interesting differences: Spanish companies belonging to the financial and real estate sector recorded returns higher than their European peers over this period, with only 13% of the total recording a negative half-yearly return (30% for the euro area) and around 43% recording gains of greater than 20% (21% in the euro area). In contrast, Spanish non-financial companies belonging to the IGBM performed slightly worse than those of the euro area. The proportion of Spanish companies with negative returns or very high returns (greater than 20%), was very similar in both cases, with one third of the companies, while in the euro area these percentages stood at 27% and almost 40%, respectively (see upper panels of Figure 18).

With regard to the distribution of cumulative returns in the second half of 2017, the shift of all curves to the left reflects a general deterioration in returns in both economic areas and in all sectors compared with the first half of year, with the steepest decline recorded in Spain as a consequence of the greater falls in national stock markets over this period. Accordingly, in the non-financial sector, around 54% of companies belonging to the IGBM saw a fall in their share prices, while this figure stood at 38% in the case of European companies.

In addition, the performance of the returns in the last two quarters of 2017 was quite different between sectors and between economic areas: in Spain, the distribution of returns of financial companies was worse in the fourth quarter of the year, as almost 60% of the companies recorded a negative return compared with 41% in the previous quarter, while this proportion remained stable in financial companies in the euro area (around 40%). In contrast, the spread of the returns of Spanish non-financial companies improved in the last quarter of the year with a fall in the percentage of companies recording losses and an increase in those with a high return (greater than 20%). In the euro area, the curve showed no significant changes (see lower panels of Figure 18).

Distribution of change in stock prices¹

FIGURE 18



Source: Bolsa de Madrid and Thomson Datastream. Data to 28 December 2017.

- 1 Analysis run on the companies forming each index on 28 December 2017, when the Spanish IGBM comprised 130 listed companies compared with 1,353 in the euro-area index.
- 2 The financial and real estate sector comprises credit institutions, insurance undertakings, portfolio and holding companies, other investment service providers and real estate companies: 27 companies in Spain (21% of index members) compared with 296 (22%) in the euro area.
- 3 The non-financial sector (excl. real estate) comprises listed companies not included in the financial and real estate sector.

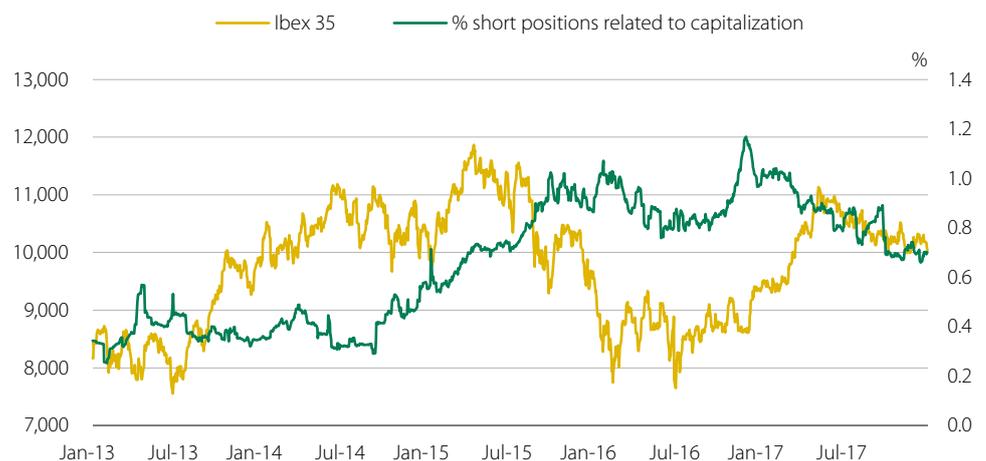
The price-earnings (P/E) ratio of the Ibex 35 fell for the second consecutive quarter, from 13.9 in mid-September to 13.7 in mid-December, as a result of the new fall in

share prices in the last quarter of the year and the positive performance of corporate earnings. In annual terms, the P/E ratio also fell (it stood at 14.30 at year-end 2016) as the growth in corporate earnings exceeded the gains in the index. The P/E ratio of the main Spanish stock market therefore closed 2017 at around the average of its value over the period between 2000 and 2017.

The aggregate position of short sales fell over most of 2017, with the reductions speeding up in the last part of the year, as the Ibx 35 fell against a backdrop of increasing political uncertainty and, at the same time, growth in corporate earnings. The average short position stood at around 0.7% of total capitalisation of the shares at the end of the year, its lowest level since the first quarter of 2015. Particularly noteworthy in this respect, with positions greater than 10% of their capital, were the short positions in one company in the distribution sector and, to a lesser extent, in an engineering company. At year-end, there was no pattern to the distribution of short positions by sector, but rather by shares, with larger short positions in some companies in the distribution, technology and telecommunications, construction, steel, engineering and media sectors.

Ibex 35 performance and aggregate short positions

FIGURE 19



Source: CNMV. Data to 31 December.

3.2.2 Activity: trading, issuance and liquidity

Trading of Spanish shares once again picked up in the final quarter of the year, following the fall recorded in the third quarter, with growth of 17.5% in year-on-year terms compared with the last quarter of 2016. Despite competition from multilateral trading facilities (MTFs) and OTC trading, the proportion of trading of securities listed on the Spanish regulated market actually conducted on that market recovered slightly compared with previous quarters, when it had lost trading in favour of other European regulated markets and MTFs. The share of foreign markets fell slightly in the fourth quarter to 33.3% (34.9% in the previous quarter), thus breaking the upward trend of recent years. In 2017 as a whole, the traded volume of Spanish securities exceeded 934 billion euros (6.5% up in year-on-year terms), of which almost 635 billion euros corresponded to the Spanish regulated market (similar figures to the same period of the previous year) and 299 billion euros corresponded to

competing multilateral trading facilities (MTFs) and regulated markets (56.9 billion euros up on the previous year).

Daily trading on the electronic market stood at 2.47 billion euros in the fourth quarter, which was above the 1.94 billion euros of the previous quarter, but below the cumulative average of the whole year (2.51 billion euros). The improvement in trading data in the fourth quarter also reflects a respite in the downward trend in the market share of BME in favour of its competitors.

Trading in Spanish shares listed on Spanish exchange¹

TABLE 17

Million euros

	2014	2015	2016	2017	II 17	III 17	IV 17 ²
Total	1,002,189.0	1,161,482.8	877,413.3	934,377.1	284,277.4	193,005.3	233,038.6
Listed on SIBE	1,002,095.9	1,161,222.9	877,402.7	934,368.3	284,276.1	193,004.8	233,036.3
BME	849,934.6	925,978.7	631,107.2	634,990.9	200,614.7	125,110.5	154,495.8
Chi-X	95,973.0	150,139.9	117,419.4	117,899.2	33,434.1	27,142.3	29,128.9
Turquoise	28,497.5	35,680.5	51,051.8	44,720.1	12,293.0	9,601.2	10,880.6
BATS	18,671.0	35,857.6	44,839.8	75,411.6	19,511.0	19,378.6	23,075.6
Other ³	9,019.8	13,566.2	32,984.5	61,346.5	18,423.3	11,772.2	15,455.3
Open outcry	92.4	246.1	7.5	8.1	0.8	0.5	2.1
Madrid	32.7	19.4	3.2	1.8	0.1	0.1	0.0
Bilbao	14.3	7.5	0.0	0.0	0.0	0.0	0.0
Barcelona	45.2	219.1	4.1	6.3	0.7	0.4	2.1
Valencia	0.3	0.1	0.0	0.0	0.0	0.0	0.0
Second market	0.7	13.8	3.2	0.7	0.4	0.0	0.2
Pro memoria							
Foreign shares traded on BME ³	14,508.9	12,417.7	6,033.0	6,908.0	1,911.0	1,318.6	1,143.0
Alternative stock market (MAB)	7,723.2	6,441.7	5,066.2	4,985.8	1,261.8	1,010.5	1,317.3
Latibex	373.1	258.7	156.7	130.8	31.3	12.3	16.1
ETFs	9,849.4	12,633.8	6,045.2	4,464.1	1,196.3	699.3	1,472.8
Total BME trading	882,482.3	957,990.5	648,418.9	651,488.5	205,016.3	128,151.5	158,447.5
% Spanish shares on BME vs. total Spanish shares	84.8	80.1	71.9	68.3	68.4	65.1	66.7

Source: Bloomberg and CNMV.

1 Includes trading of Spanish shares subject to market or MTF rules (lit plus dark). Spanish shares on Spanish stock exchanges are those with a Spanish ISIN that are admitted to trading on the regulated market of Bolsas y Mercados Españoles, i.e., not including the Alternative Stock Market (MAB). Foreign shares are those which are admitted to trading on the regulated market of Bolsas y Mercados Españoles whose ISIN is not Spanish.

2 Data to 31 December.

3 Difference between the turnover of the EU Composite calculated by Bloomberg for each share and the turnover of the markets and MTFs.

Leading the trading of Spanish shares abroad was the Chi-X platform, with almost 118 billion euros traded in the year, almost 40% of the total volume traded abroad. Nevertheless, its relative weight in the year fell (from over 48% in 2016) to the benefit of other competitors, as was the case with Turquoise, whose share fell from 21%

to 15%. In contrast, trading on BATS¹³ and the other operators grew (by 68% and 110%, respectively), which led to their market shares rising to 25% and 20%, respectively. The other operators therefore practically doubled both the volume traded and their market share over the year and they benefited most from the growth in the movement of trading abroad.

As was the case with Spanish regulated markets, where the growth in market fragmentation seems to have stopped, the main European regulated markets have seen a similar phenomenon over recent months in which there has even been a certain recovery in their market share to the detriment of MTFs. Therefore, in the major European financial markets taken as a whole,¹⁴ around 40% of European equity trading subject to market or MTF rules is conducted outside the regulated market on which the securities are listed. This figure exceeded 40% at the end of 2016 and in the first part of the year, but the fall in the volatility of equity markets in 2017 led to a fall in high-frequency trading (HFT), which is usually carried out to a greater extent through MTFs, which had a knock-on effect on their share of the total market. The proportion of trading reported as OTC remained stable (or perhaps with a slight fall), accounting for over 40% of total trading, in anticipation of the impact of the new regulatory framework of the MiFID II and the MiFIR, which are likely to introduce significant changes in equity trading in Europe as one of their basic aims is to increase the levels of market transparency and redirect OTC trading towards regulated environments.

As shown in Table 18, equity issues made on national markets amounted to only 2.66 billion euros in the fourth quarter, less than one third of the values recorded in the previous three quarters and well below (36% down) the amount issued in the last quarter of 2016. This fall was the result of fewer capital increases, among which only one public offering of shares of one real estate company for 567 million euros stands out. The issued volume in the year as a whole rose by 61% to 32.54 billion euros. This increase was chiefly the result of capital increases for an amount 50% higher than that recorded in 2016 and the high volume of the capital increase of the leading Spanish bank, which exceeded 7.1 billion euros.

With regard to the composition of the issues conducted over the period, there was a noteworthy rise in capital increases for non-monetary consideration (373%) as well as other increases,¹⁵ which rose by 188%. In contrast, share issues under the format of scrip dividends fell by 35% (to 3.8 billion euros) and continued their downward path. Capital increases by conversion fell by 30% to only 1.65 billion euros.

Similarly, the amount of public offerings of shares was almost five times higher and totalled almost 3 billion euros in the year. Particularly noteworthy was the public offering of one real estate company in the last quarter, which was added to the three companies listed in the first half of the year using the same format. In addition, a small bank went public through a primary offering in the third quarter.

13 BATS and Chi-X form part of the same group: Cboe Global Markets (Cboe).

14 Including the main stock markets of the euro area and the London Stock Exchange.

15 Mostly corresponding to the capital restructuring process of one engineering company.

Capital increases and public offerings¹

TABLE 18

	2015	2016	2017	I 17	II 17	III 17	IV 17
NUMBER OF ISSUERS²							
Total	50	45	46	16	16	18	17
Capital increases	45	45	44	15	13	18	17
Primary offerings	0	3	3	1	1	1	1
Public offering of shares	6	2	4	2	3	0	1
NUMBER OF ISSUES²							
Total	111	81	89	27	18	19	25
Capital increases	99	79	82	25	14	19	24
Primary offerings	0	4	4	1	1	1	1
Public offering of shares ³	12	2	7	2	4	0	1
CASH AMOUNT² (million euros)							
Total	37,065.5	20,251.7	32,538.1	8,723.5	11,068	10,090.2	2,656.7
Capital increases	28,733.9	19,745.1	29,593.6	7,364.2	10,049.8	10,090.2	2,089.5
Primary offerings	0.0	807.6	956.2	100.0	687.5	68.8	100.0
Bonus issues	9,627.8	5,898.3	3,807.3	1,084.4	850.3	1,152.5	720.1
Of which, scrip dividend ⁴	9,627.8	5,898.3	3,807.3	1,084.4	850.3	1,152.5	720.1
Capital increases by debt conversion	1,868.7	2,343.9	1,648.8	0.1	23.6	1,499.7	125.5
Capital increases against non-monetary considerations ⁵	365.2	1,791.7	8,469.3	58.0	8,122.6	238.8	49.9
With pre-emptive subscription right	7,932.6	6,513.3	7,831.4	185.3	11.7	7,102.9	531.6
Other increases	8,939.7	2,390.2	6,880.5	5,936.4	354.1	27.6	562.4
Public offering of shares	8,331.6	506.6	2,944.5	1,359.3	1,018.0	0.0	567.3
Pro memoria: MAB transactions⁶							
Number of issuers	16	15	13	2	6	3	3
Number of issues	18	21	15	2	6	3	4
Cash amount (million euros)	177.8	219.7	129.9	2.2	84.2	17.3	26.2
Capital increases	177.8	219.7	129.9	2.2	84.2	17.3	26.2
Of which, primary offerings	21.6	9.7	0.0	0.0	14.1	0.0	3.0
Public offering of shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: BME and CNMV. Data to 31 December.

1 Primary offerings and Public offering of shares are usually known as IPO (Initial Public Offering) in data vendors.

2 Transactions registered with the CNMV. Not including figures for MAB, ETFs or Latibex.

3 Transactions linked to the exercise of green shoe options are separately accounted for.

4 In scrip dividends, the issuer gives existing shareholders the option of receiving their dividend in cash or converting it into shares in a bonus issue.

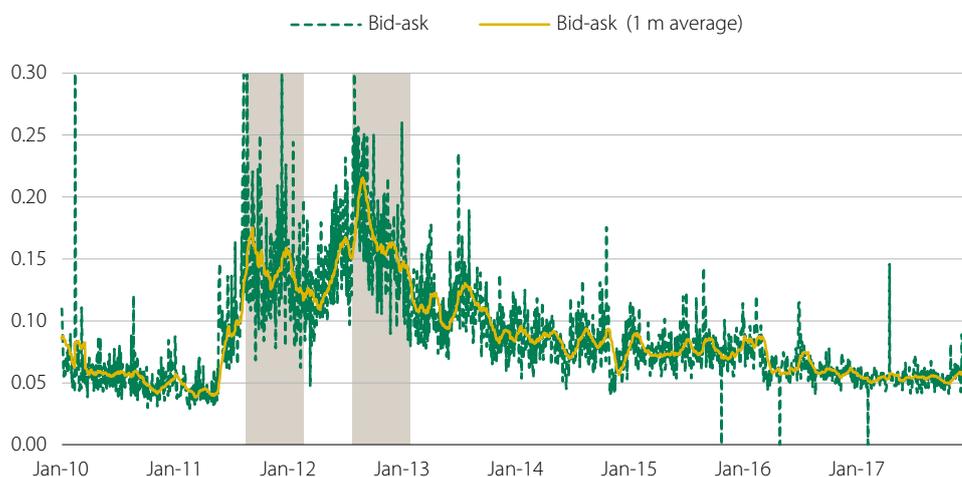
5 Capital increases for non-monetary consideration have been stated at market value.

6 Transactions not registered with the CNMV.

Ibex 35 liquidity conditions, as measured by the bid-ask spread, held relatively stable and at satisfactory levels in the final quarter of the year, in line with the previous quarters. Nevertheless, the spread inched up slightly in the quarter to an average of 0.056%, a figure slightly above the average for the previous three quarters and full-year 2017 (0.054%), but lower than the indicator's historic average of 0.095%.

Ibex 35 liquidity. Bid-ask spread

FIGURE 20



Source: Thomson Datastream and CNMV. Data to 31 December. The curve represents the bid-ask spread of the Ibex 35 along with the average of the last month. The grey shaded areas refer to the introduction and lifting of the precautionary short-selling ban running from 11 August 2011 to 16 February 2012, and the later ban starting on 23 July 2012 and ending on 1 February 2013. The first ban affected financial institutions and the second ban applied to all companies.

3.2.3 Results

Aggregate profit of non-financial listed companies stood at 19.61 billion euros in the first half of 2017, more than double the figure recorded in the same period of 2016. Every sector recorded gains in their income statements in line with the buoyancy of domestic economic activity. Leading the gains were retail and services companies, which were able to move from aggregate losses of 758 million euros in 2016 to profits of 9.61 billion euros in 2017.¹⁶ The profit of industrial companies grew by 9.5% to 2.75 billion euros, energy companies' profits rose by 7.7% to 4.66 billion euros and construction companies' profit rose by 3.8% to 2.61 billion euros. Other benchmark margins, such as operating profit and profit before tax, also increased in the first half of the year (see Table 19).

¹⁶ The increased profits of Abengoa and, to a lesser extent, Codere explain the bulk of the change in aggregate profits.

Profit by sector: non-financial listed companies

TABLE 19

Million euros

	Operating profit		Profit before tax		Consolidated profit for the year	
	1H16	1H17	1H16	1H17	1H16	1H17
Energy	6,472	6,512	5,465	5,896	4,326	4,658
Industry	3,594	4,045	3,270	3,660	2,507	2,745
Retail and services	6,660	8,141	3,107	12,051	-758	9,611
Construction and real estate	3,717	3,666	3,015	3,015	2,514	2,610
Adjustments	19	20	18	13	14	15
Aggregate total	20,424	22,344	14,839	24,609	8,576	19,610

Source: CNMV.

The debts of non-financial listed companies rose slightly in the first six months of the year, specifically by 1.3% to 260.75 billion euros. This increase was spread unevenly across the sectors as industrial companies recorded an increase (of 3.4 billion euros to almost 21 billion euros) as did energy companies (of 1.9 billion euros to 78 billion euros), while retail and services companies and companies in the construction and real estate sector, which are on average the most leveraged companies, continued to reduce their debt levels (by 1.3% and 1.4%, respectively). As a result of these movements, the leverage ratio measured as the ratio between debt and equity remained stable for listed companies as a whole at 1.10 as a result of the slight increase in energy and industrial companies and the decrease in retail and services companies and, particularly, in construction and real estate companies. The debt coverage ratio, measured using the ratio of debt to operating profit, improved significantly (falling from 6.3 to 5.8) as the increase in earnings was greater than the increase in debt in the first half of the year.

Gross financial debt by sector: listed companies

TABLE 20

Million euros

	Debts		Debt / equity		Debt / operating profit ¹	
	1H16	1H17	1H16	1H17	1H16	1H17
Energy	76,205	78,111	0.72	0.75	5.89	6.00
Industry	17,473	20,896	0.49	0.52	2.43	2.58
Retail and services	113,544	112,150	2.03	1.99	8.52	6.89
Construction and real estate	50,272	49,698	1.35	1.28	6.76	6.78
Adjustments	113	111	-	-	-	-
Aggregate total	257,381	260,745	1.10	1.09	6.30	5.83

Source: CNMV.

1 The ratio is calculated with the annualised operating profit.

II Reports and analysis

Annual Corporate Governance Report of listed companies in 2016

Javier Sanz Alonso and Nerea Vázquez García (*)

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1 Introduction

The CNMV recently published the *Annual Report on Corporate Governance of Entities with Securities Admitted to Trading on Regulated Markets*,¹ which is based on the information published in the 2016 Annual Corporate Governance Reports (ACGRs) of said companies. This article is based on the above-mentioned CNMV report and presents the key features of corporate governance structures in 2016, focusing exclusively on listed companies.²

The article is structured as follows. Following the introduction, Section 2 describes the ownership structure of companies and relates it to participation in the general shareholders' meeting, while Section 3 analyses the composition and functioning of the board of directors and its committees. Sections 4 and 5 study the risk management policies and control systems which companies described in their ACGRs. Section 6 analyses application of the "Comply or Explain" Principle, as well as compliance with the recommendations of the Good Governance Code. The article finishes with the final conclusions.

In accordance with the "Comply or Explain" Principle, the Capital Companies Act requires companies to state their level of compliance with the recommendations of the Good Governance Code of listed companies in force at any time. It should be noted that in July 2016, the CNMV published a Technical Guide³ in order to provide guidance to listed companies in the event that they do not follow the Code's recommendations so as to improve the quality of their explanations.

2 Ownership structure and participation in general shareholders' meeting

One of the key aspects determining a company's corporate governance practices is its ownership structure. The composition of its board and board committees are particularly noteworthy. This aspect is also very important because historical data show that the level of shareholder participation in general meetings is directly linked to the concentration of ownership.

1 Report published in November 2017. Available at www.cnmv.es.

2 The information is obtained from an analysis of the 2016 ACGRs published in 2017 by 137 listed companies, with the exception of the chapter relating to internal control over financial reporting (ICFR), in which part of the information is obtained from a sample which includes fixed-income issuers.

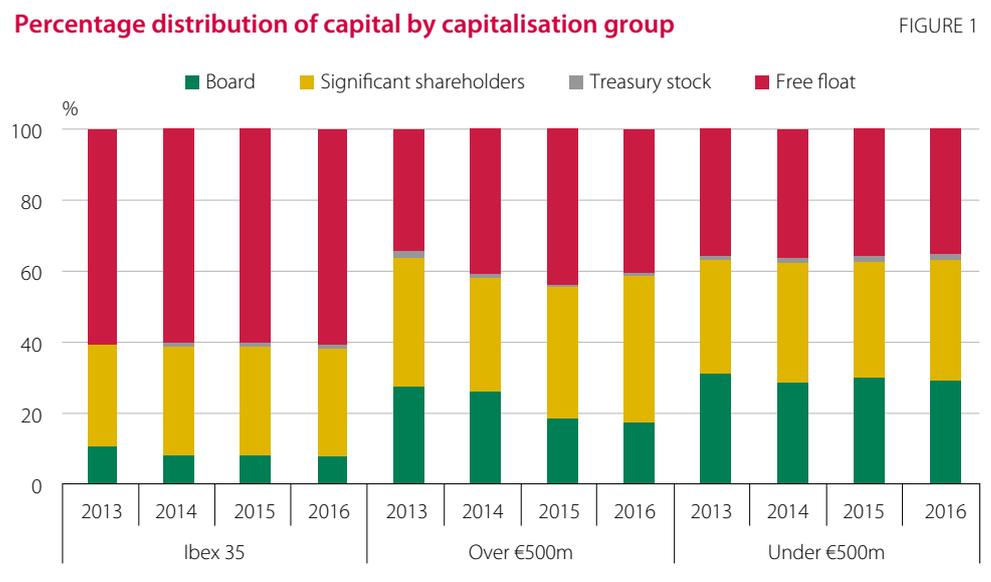
3 https://www.cnmv.es/DocPortal/Publicaciones/CodigoGov/GuiaCumplirExplicar_en.pdf

According to data provided in the ACGRs, the aggregate share capital of listed companies amounted to 60.43 billion euros at year-end 2016. This figure was 4.2% up on 2015, thus confirming the upward trend recorded over recent years. This increase was the result of 29 companies (13 Ibex 35 members) increasing their capital by 2.71 billion euros, offset by 4 companies reducing their capital by a total of 269 million euros.

At the same time, the market capitalisation of listed companies rose by 1.7% on year-end 2015, thus continuing the upward trend of recent years, which was only interrupted by the slight fall recorded in 2015.

At an aggregate level, the proportion held by non-director significant shareholders rose to 35% (33.2% in 2015). The proportion held by the board of directors, in contrast, fell to 20.7% of the share capital (22.2% in 2015), while treasury stock remained at 1.2% (as in 2015). Free float therefore accounted for 43.1%, a small fall of 0.3 percentage points on 2015.

Figure 1 shows the capital distribution by shareholder category and market capitalisation groups.⁴



Source: Company ACGRs and CNMV.

In companies with market capitalisation above 500 million euros, free float fell by 3.1 percentage points as a result of the 3.9-point increase in capital held by significant shareholders, while in Ibex 35 members and in companies with capitalisation under 500 million euros it remained relatively stable.

In 36 companies (26.2% of the total; 1 more than in 2015), a natural or legal person owned a majority of voting capital or was in a position of control.

⁴ The figures represent the arithmetic mean of the capital distribution of listed companies, taking as the calculation base the corresponding percentages for each company of the different categories included in the figure. Percentages for non-director significant shareholders are arrived at by deducting the share packages owned by board members.

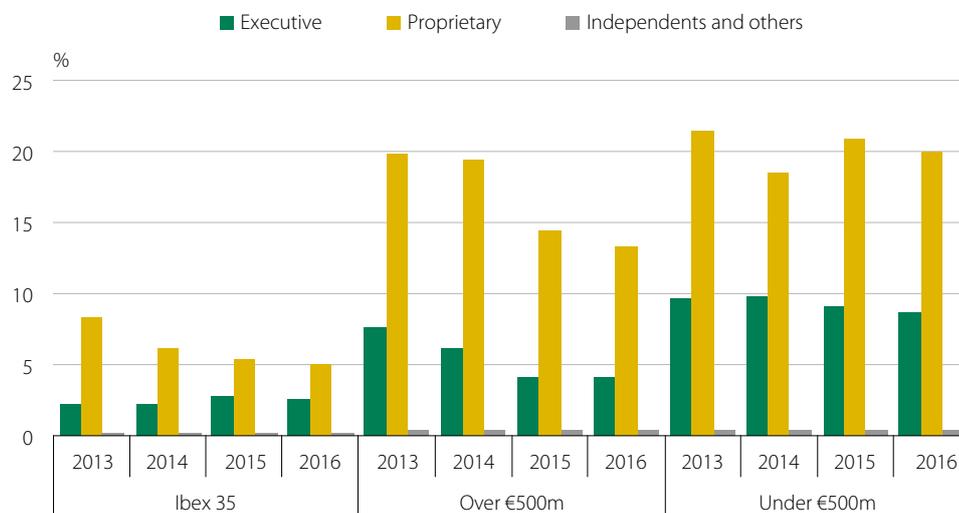
The sum of significant shareholdings reported, including the stakes owned by the board, exceeded 50% of the share capital in 87 companies (63.5% of the total; 91 in 2015), 11 of them Ibex 35 members.

The proportion of capital held by non-director significant shareholders (35%) was spread as follows: 4.9% corresponded to natural persons resident in Spain (the same as in 2015), 18.7% corresponded to legal persons resident in Spain (19% in 2015), while the remaining 11.4% corresponded to non-resident investors (9.2% in 2015).

Figure 2 tracks, in percentage terms, the distribution of capital in the hands of the board according to the category of board members, grouping companies by stock market capitalisation.

Distribution of capital by director category

FIGURE 2



Source: Company ACGRs and CNMV.

64.7% of executive directors (139; 3 up on 2015) hold equity stakes in their employer companies. Of this number, 2 reported holdings of over 50% and 12 reported holdings of between 20% and 50%, with an average of 33.3%.

In the case of proprietary directors, 45% (210) hold stakes in listed companies, while 22.6% of independent directors (127) reported holdings in listed companies.

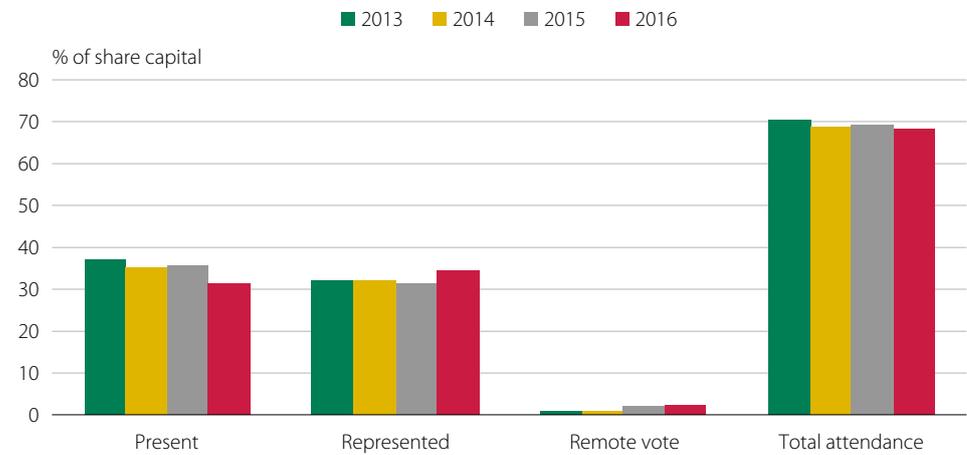
2.1 Shareholder participation in general meetings

One area of corporate governance where international organisations such as the OECD and the European Commission have been calling most strongly for improvement since the start of the crisis is the involvement of shareholders in general, and institutional investors in particular, in the governance of listed companies. Companies in Spain have been adopting measures to facilitate shareholder participation in general meetings, driven by the Capital Companies Act and the corresponding recommendations in the Good Governance Code.

Figure 3 shows the average participation of the shareholders of listed companies at the general meetings held between 2013 and 2016, differentiating between the types of attendance.

Participation in general meetings

FIGURE 3



Source: Company ACGRs and CNMV.

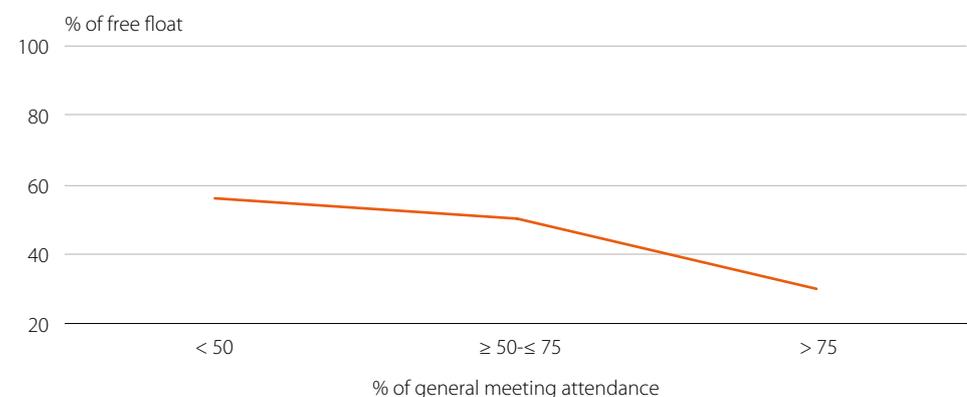
Average participation at general shareholders' meetings stood at 68.3% of the share capital, a fall of 1.3 percentage points on 2015. This slight decrease was the result of a larger fall in physical attendance than the increase in proxy representation, which accounted for 32% and 35% of total votes, respectively. Although remote voting remained stable compared with 2015, the use of electronic methods grew from 2% in 2015 to 8% in 2016, at the expense of other methods.

At 3 companies, 3 fewer than in 2015, shareholders attending the meeting in person exceeded 90% of the capital. One of these companies, not an Ibex 35 member, reported physical attendance of 100%.

Figure 4 shows the average figures in 2016 for attendance and free float for each one of the brackets analysed as regards attendance at general meetings.

General meeting attendance vs. free float

FIGURE 4



Source: Company ACGRs and CNMV.

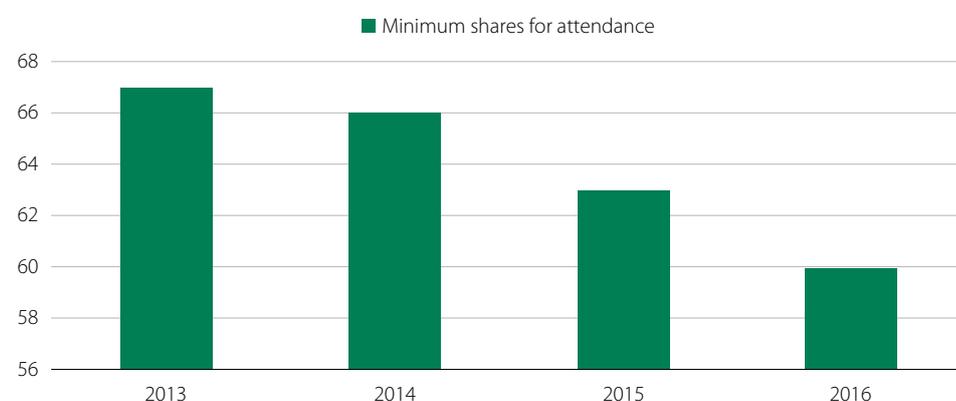
Over recent years, companies have stepped up their efforts to encourage minority shareholders to participate in general meetings. However, as shown in the above figure, the existence of a greater percentage of minority shareholders leads to lower participation in the meetings, which increases as the average free float falls.

With the amendment to the Capital Companies Act approved in December 2014,⁵ the minimum percentage of share capital required for exercising the rights of minority interests in listed companies was reduced to 3% and the maximum number of shares which the articles of association may require for attendance at the general meeting is set at 1,000. In 2016, 60 listed companies, 3 fewer than in 2015, required a minimum number of shares in order to attend general meetings.

Figure 5 shows the fall in the number of companies requiring a minimum number of shares in order to attend general shareholders' meetings between 2013 and 2016.

Restrictions on attendance at the general meeting

FIGURE 5



Source: Company ACGRs and CNMV.

3 Board of directors

3.1 Structure of the board of directors

The average board size rose slightly in 2016 to 9.8 members, compared with 9.7 in 2015. Among Ibex companies, this average stood at 13.1 directors.

In 90.5% of companies, board size ranged between a minimum of 5 and a maximum of 15 as recommended in the Good Governance Code. As in previous years, most of the boards exceeding 15 members belonged to Ibex 35 companies, while the boards with fewer than 5 members were mainly among companies with lower capitalisation.

Table 1 tracks the percentage of each type of director on listed company boards according to their level of capitalisation.

⁵ Law 31/2014, of 3 December, amending the Capital Companies Act to improve corporate governance.

Percentage share of each type of director

TABLE 1

	% Executive				% Proprietary				% Independent				% Other external			
	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016
Ibex 35	16.0	16.7	15.9	15.5	32.3	31.1	29.1	25.6	46.5	45.1	47.6	50.2	5.2	7.1	7.4	8.7
Over €500m	19.5	17.7	15.3	17.2	48.9	41.2	43.2	39.4	26.1	32.9	36.2	35.8	5.5	8.3	5.2	7.6
Under €500m	18.0	17.3	17.0	15.5	46.4	44.9	39.8	39.4	29.8	31.4	36.0	38.4	5.8	6.3	7.3	6.7
Total	17.6	17.2	16.2	16.0	42.1	39.4	36.8	34.7	34.8	36.5	40.1	41.7	5.5	7.0	6.9	7.6

Source: Company ACGRs and CNMV.

3.2 Independent directors

Independent directors were in the majority on the boards of 23.4% of listed companies as a whole in 2016, and in 60% of Ibex 35 companies.

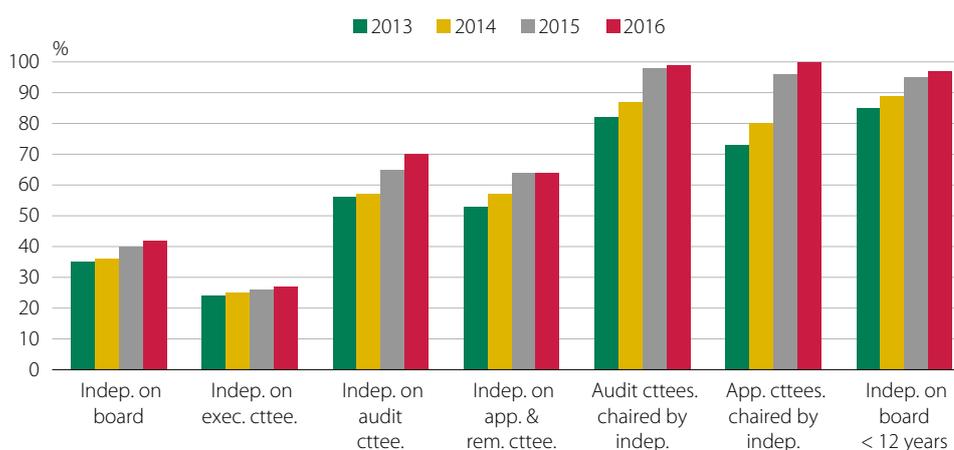
Even though most boards are still chaired by executive directors (54.7% in 2016), the percentage of boards chaired by independent directors rose to 10.9% (7.4% in 2015). The percentage of Ibex 35 boards chaired by executive directors fell by 8.6 percentage points on 2015 to account for 60% of the total in 2016. Only 16% of vice-chair positions were occupied by independent directors (20.8% in 2015).

As in previous years, independent directors are better represented on the audit committee (69.5%) and the appointments and remuneration committee (63.8%) than on the board (41.7%). Executive committees again featured the lowest percentage of independent directors (27.5%).

Figure 6 tracks the progress of the main variables indicating the presence of independent directors on the governing bodies of listed companies.

Presence of independent directors on governing bodies

FIGURE 6



Source: Company ACGRs and CNMV.

3.3 Gender diversity

The Good Governance Code considers that gender diversity is an efficiency objective that listed companies should work towards. It recommends that companies with few or no women on their boards should make a specific effort to find potential candidates whenever they need to cover a vacancy.

The percentage of female board members has risen by 4.6 percentage points to stand at 16.6% in 2016 (15.6% in 2015). By type of director, there was a noteworthy increase of 2.8 percentage points in the proportion of female independent directors, which rose to 24.8% of total independent directors in the year. The proportion of female executive directors also rose slightly to 4.7%. In contrast, the proportion of female proprietary directors (13.3%) and of female other external directors (11.7%) fell compared with 2015.

Table 2 shows the number of board places occupied by women over 2013-2016 together with the number of companies reporting female directors.

Presence of women on boards

TABLE 2

	No. of female directors				% of total				No. of companies with female directors				% of total			
	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016
Ibex 35	75	78	90	90	15.6	16.7	19.6	19.7	32	32	34	34	91.4	91.4	97.1	97.1
Over €500m	23	32	37	61	8.5	11.6	12.9	15.9	14	19	22	31	58.3	73.1	78.6	86.1
Under €500m	71	71	80	72	10.8	11.8	13.8	14.3	48	47	50	47	57.8	58.8	67.6	71.2
Total	169	181	207	223	12.0	13.5	15.6	16.6	94	98	106	112	66.2	69.5	77.4	81.8

Source: Company ACGRs and CNMV.

With regard to the positions held by female directors on the governing bodies of listed companies, we can highlight the following aspects:

- The percentage of women chairing the board stood at 5.8% (5.9% in 2015).
- Of the 223 female directors on the boards, 10.3% sit on the executive committee (11.6% in 2015); 39.9% sit on the audit committee (39.1% in 2015); and 32% on the appointments and remuneration committee (41.7% in 2015).
- The number of female directors who are not members of any committee fell in 2016 (28.7% compared with 32.9% in 2015).

3.4 Functioning of the board

The Good Governance Code maintains the criterion of not issuing any opinion on separating the offices of chair of the board and chief executive officer. The Capital Companies Act establishes that, in the event that the chairperson is also an executive director, a coordinating independent director should be appointed.

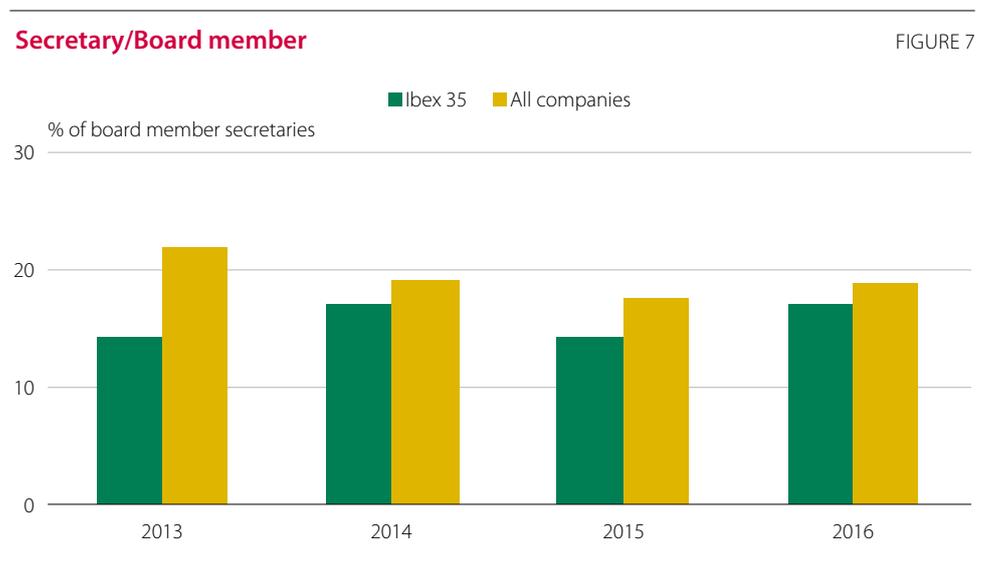
In 2016, the percentage of listed company chairpersons who were also executives stood at 54.7% (53.7% in 2015). Among Ibex 35 members, said percentage fell by 8.6 percentage points on 2015 to stand at 60%.

39.2% of executive chairpersons (29 in 2016 and 32 in 2015) also took on the role of chief executive (9 in Ibex 35 companies and 20 among the rest).

Furthermore, the number of companies that have established a casting vote in the event of tied votes fell by 2.2 percentage points, to 62%.

The Good Governance Code recommends that the board secretary should pay particular attention to overseeing the activity of the board with regard to corporate governance, but issues no opinion on whether the secretary should be a member of the board.

Figure 7 shows the percentage of companies whose secretary is also a board member.



Source: Company ACGRs and CNMV.

As shown, the proportion of companies whose secretary is also a board member rose to 19.9% (17.5% in 2015), of which 38.5% are executive directors, 34.6% proprietary directors, 15.4% independent directors and 11.5% other external directors.

The Capital Companies Act establishes that in public limited companies the board of directors shall approve a regulation on internal rules and functioning of the board, which will contain the specific measures aimed at guaranteeing the best administration of the company. This regulation must be submitted to the CNMV.

The percentage of companies amending their board regulations fell in 2016 to 55.5% (86.1% in 2015). There were a large number of amendments to board regulations in 2015 as they were adapted to the recast text of the Capital Companies Act and the new Good Governance Code, published in February 2015.

3.5 Board committees

The breadth of powers entrusted to the board of directors by law and by articles of association supports the existence of board committees with executive functions, which is a standard practice in companies with a high market capitalisation. In 2016, a total of 52 companies (28% total) had established a board committee with executive functions: 68.6% of Ibex 35 companies, 33.3% of companies with a stock market capitalisation of over 500 million euros and 24.2% in companies with a stock market capitalisation of under 500 million euros.

Corporate governance guidelines recommend that the composition of the executive committee should reflect that of the board so as to prevent its functions being exercised with a different perspective, although Figure 8 shows that in the last four years the proportion of executive directors sitting on the executive committee is higher than on the board:

Director representation on the executive committee and board by director category

FIGURE 8



Source: Company ACGRs and CNMV.

The Capital Companies Act requires that the appointments and remuneration committee be chaired by an independent director and formed entirely of external directors, with at least two independent directors. A total of 17 companies (5 Ibex 35 members) reported that their appointments and remuneration committee was composed exclusively of independent directors in 2016.

It is important to highlight that the Capital Companies Act, in accordance with the text in force at 31 December 2015, established that the audit committee must be chaired by an independent director and formed entirely by external directors, at least two of which must be independent, with one of these designated as a result of his/her knowledge and experience in accounting, auditing or both areas. As from 17 June 2016, the requirement to have two independent directors is modified and the committee must contain a majority of independent directors. A total of 21 companies (9 Ibex 35 members) reported audit committees formed entirely by independent directors.

4 Financial reporting and risk management

The Good Governance Code highlights the importance of the role played by the audit committee in overseeing the preparation and integrity of financial reporting and the correct functioning of internal auditing, as well as the systems for detecting, evaluating and preventing unacceptable or uncontrolled effects resulting from the materialisation of risks.

In this regard, the OECD has singled out risk management as among the corporate governance elements whose weaknesses played an important role in the onset of the financial crisis. In its 2014 report on risk management and corporate governance, the OECD concluded that the board's responsibilities with regard to defining the strategy and appetite or tolerance for risk should be extended to include supervision of internal risk management systems.

Previously and along similar lines, given the importance of risk management, the European Commission launched an Action Plan in December 2012, which in 2013 led to the preparation of a proposed amendment to the Accounting Directive in order to strengthen disclosure requirements with regard to risk management. The result was Directive 2014/95/EU of the European Parliament and of the Council, of 22 October 2014, which was recently transposed into Spanish law through Royal Decree-Law 18/2017, of 24 November. This Directive requires undertakings with over 500 employees to break down in their management report information relating to environmental, social and employee matters, respect for human rights and anti-corruption and bribery measures. They should also report on the achievements made and the principal risks associated or related to the company's operations and provide a description of the adverse impacts which their activity may generate in the aforementioned areas and how they manage those risks.

The Good Governance Code recommends that the audit committee should ensure that the board presents the annual accounts to the general shareholders' meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the chairman of the audit committee and the auditors should give a clear account to shareholders of their scope and content. The percentage of companies filing audit reports with an unqualified opinion rose slightly to 97.7% in 2016 (96.8% in 2015).

Listed companies should describe their risk management policy and control systems in their ACGRs, identifying the potential risks they face, the risks materialising in the year and the body in charge of establishing and supervising control mechanisms.

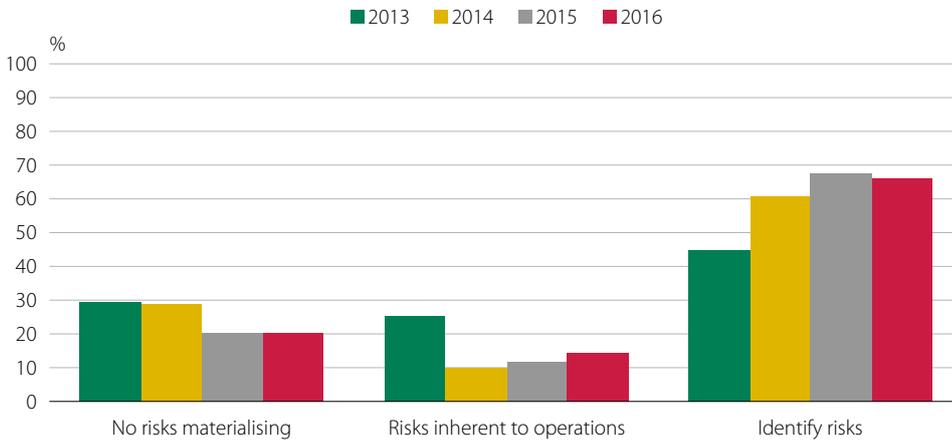
As in previous years, in 2016 listed companies again classified the main risks affecting them into four major categories: financial, operational (or those resulting from their activity), regulatory and environmental risks. Listed companies therefore coincide in stressing the risks entailed by regulatory changes, the effect of changes in commodity prices, uncertainty with regard to the Brexit negotiations and their impact, political and social instability in the countries where they do business, and the risks resulting from the current financial situation. The most widely identified risks were credit and financing risk, the impact of public spending and investment

austerity, low commodity prices, exchange rates, effects of regulatory changes and political instability in a large number of countries.

Figure 9 groups companies according to the account given in their ACGRs of risks materialising in the period 2013-2016.

Companies categorised according to materialised risks

FIGURE 9



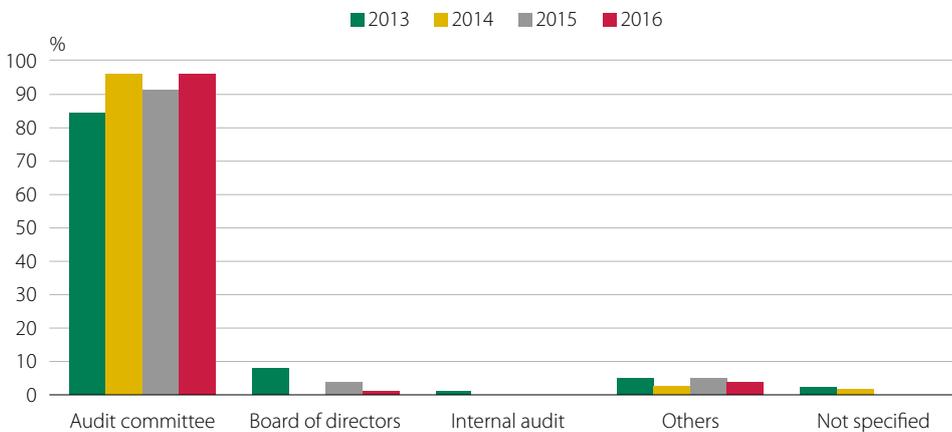
Source: Company ACGRs and CNMV.

A total of 28 companies (the same number as in 2015) reported no risks materialising in 2016. Of the other listed companies, 90 identified the risks affecting them during the year (93 in 2015), while the remaining 19 companies reported that their risk events were confined to those inherent to the operations of the different group entities (16 in 2015).

ACGRs must also report on the governance committees and bodies responsible for establishing and supervising the control mechanisms. Figure 10 shows the distribution of listed companies based on the body responsible for establishing and supervising control mechanisms.

Bodies responsible for control mechanisms

FIGURE 10



Source: Company ACGRs and CNMV.

The audit committee is designated as the body responsible for supervising risk control systems by 95.6% of listed companies (91.2% in 2015). Only 0.7% of companies identify the board of directors as the body in charge of establishing and supervising the control systems.

5 Internal control over financial reporting (ICFR) and risk management systems

All entities with securities admitted to trading must include in their ACGRs a description of the main features of their internal control over financial reporting (ICFR) system and the corresponding risk management system. For this purpose, they must use the ACGR forms for listed companies established by Circular 5/2013, of 12 June, which contain a specific section for reporting on ICFR.

In 2016, 96.6% of securities issuers completed, to a greater or lesser extent, all the sections on the ICFR description included in the corresponding chapter of the ACGR (98% in 2015).

Since 2013, following one of the recommendations of the group of experts,⁶ companies have been required to report whether the ICFR description was subject to an auditor review and, where appropriate, to attach the report. Otherwise, they must indicate the reasons why the description was not subject to an auditor review.

In 2016, 63 companies (56 in 2015) followed this recommendation and a further 8 (11 in 2015) undertook wider-ranging reviews, with both groups together accounting for 47.6% of the total (44% in 2015, 40% in 2014 and 35% in 2013). The percentage of Ibex 35 companies subject to auditor reviews stood at 94.1% (88% in 2015). Approximately 67.5% of the companies not reviewed by an auditor explained their reasons (65% in 2015).

The level of breakdown presented by companies is, in general, suitable for reporting their systems, although the content was too vague in some cases. There is little improvement in the ICFR descriptions compared with 2015.

As a result of the supervisory work performed on the ICFR content, the CNMV issued recommendations, and even notices, to those companies which should improve the quality of their explanations or of their internal control and risk management systems with regard to the financial reporting process.

6 “Comply or Explain” Principle

Under the “Comply or Explain” Principle, companies must state their level of compliance with the Good Governance Code’s recommendations in force at any time

⁶ In June 2010, the CNMV published on its website a document drawn up by a group of experts on ICFR recommendations in listed companies, which included, *inter alia*, a catalogue of principles and good practices, a support guide for reporting and supervising ICFR and a glossary of terms.

and explain, as the case may be, any practices or criteria departing from said recommendations.

2016 was the second year in which ACGRs were prepared under the new corporate governance framework based on the Good Governance Code of Listed Companies approved by the CNMV Board in February 2015. Subsequently, in July 2016, the CNMV published a Technical Guide aimed at contributing towards improving the quality of the explanations and remedying deficiencies in the manner in which the “Comply or Explain” Principle is being applied in practice by providing guidance to listed companies on the content of the explanations included in their ACGRs in the event they do not follow the Code’s recommendations.

The main conclusions resulting from the statements included in the 2016 ACGRs are summarised below:

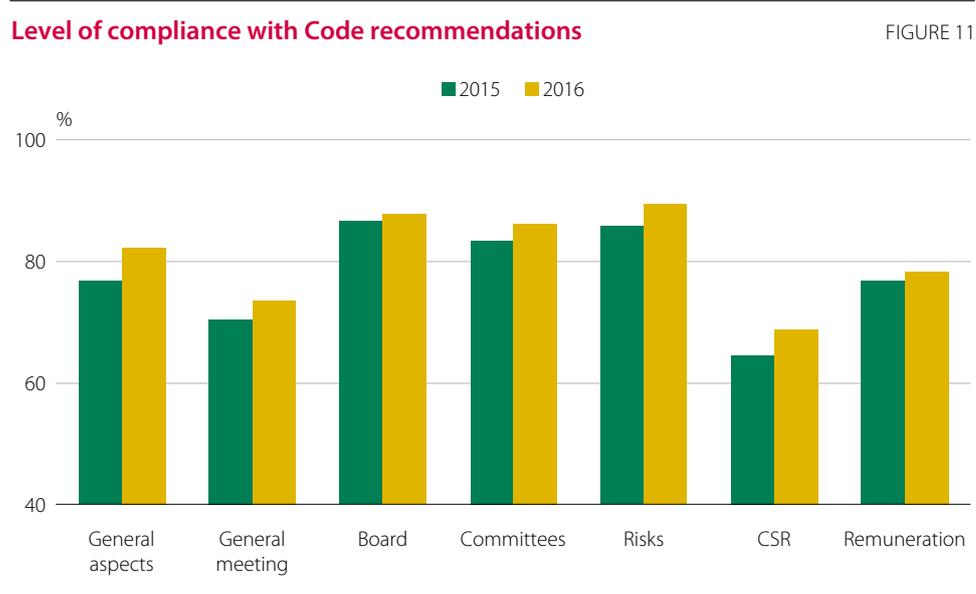
- Compliance with the new Good Governance Code was high for what was its second year of application. The listed companies in the sample comply on average with 83.9% of the Code’s recommendations, and partially with a further 7.4%. Companies as a whole have not therefore complied either fully or partially with 8.7% of the recommendations.
- A total of 51 companies (37.2% of the total) followed over 90% of recommendations of the Good Governance Code, with 4 claiming to be 100% compliant. In contrast, 2 companies reported compliance levels of below 50%.
- All listed companies claimed to follow Recommendation 12 – boards should be guided by the corporate interest – and Recommendation 28 – when any director expresses concerns about a proposal that are not resolved at the meeting, they should be recorded in the minutes – of the Good Governance Code.
- The least followed recommendations refer to new practices recommended by the Code whereby companies with a large market capitalisation should have separate appointments and remuneration committees (Recommendation 48), and relating to information transparency in the general meeting (Recommendation 7).
- On average, 7.4% of Good Governance Code recommendations were partially complied with. Those with the highest levels of partial compliance (42.3% and 38% of companies, respectively) were Recommendation 37 – on the composition of the executive committee by category – and Recommendation 25 – on the time that directors dedicate to the company.

Both of these recommendations include several good governance practices demanding different levels of effort by the company, which may explain why partial compliance is so high.

- Compliance with Good Governance Code recommendations that are completely new with respect to the Unified Code rose from 70.5% in 2015 to 74.3% in 2016, 10 percentage points lower than the average for the Code as a whole.

- 62.5% of the recommendations had a higher level of compliance than in 2015. The largest advance in compliance corresponded to the recommendation that companies should publish on their website the reports on auditor independence, operation of the committees, related-party transactions and the corporate social responsibility policy sufficiently in advance of the annual general meeting.
- 56.4% of listed companies reported higher compliance with Good Governance Code recommendations than in the previous year.

Figure 11 shows the average level of overall compliance with Good Governance Code recommendations in each category for 2015 and 2016.



Source: Company ACGRs and CNMV.

In 2016, compliance with the Good Governance Code rose by 2.1 percentage points on 2015 to 83.9%. Increases in compliance were recorded in all categories.

The largest increase (5.3 percentage points) was recorded in the category relating to articles of association and general shareholders' meetings as a result of the increase in the number of companies with a disclosed policy of communication and contacts with shareholders, institutional investors and proxy advisors.

As shown in the following figure, the level of compliance with recommendations is linked to the business sector and market capitalisation.

The financial sector recorded the highest level of compliance with the Good Governance Code, while the construction and real estate sector reported below-average compliance.

Ibex 35 members reported a level of non-compliance that was less than half that of non-Ibex companies. One third of companies with market capitalisation below 500 million euros reported not even partial compliance with over 7 Code recommendations.



Source: Company ACGRs and CNMV.

With regard to the second part of the “Comply or Explain” Principle, this is the ninth year that the CNMV has analysed the quality of the explanations offered by companies when they do not comply with the Code’s recommendations. It should be noted that the ACGRs analysed are the first to be prepared following publication of the Technical Guide on Good Practices for the Application of the “Comply or Explain” Principle, which aims to contribute towards improving the quality of the explanations by providing listed companies with guidance on the content of the explanations presented in their ACGRs.

These explanations should contain the information necessary for shareholders, investors and markets in general to be able to reach an informed judgement on the reasons for deviating from the Code’s recommendations.

For the analysis, the 429⁷ explanations that form part of the sample were classified into the following categories:⁸

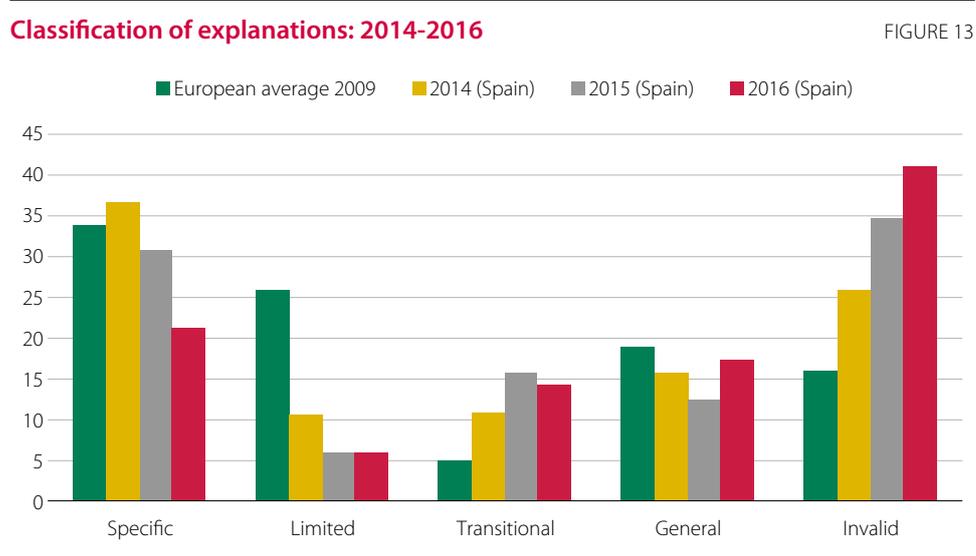
- Invalid: those which reiterate the fact of non-compliance or only indicate the existence of a deviation with regard to the recommendation.
- Limited: companies do not explain the reasons for their non-compliance, but include additional, specific information on what they consider an alternative procedure, pursuing the same goal as the Code recommendation.
- General: companies indicate a general disagreement with the recommendation without identifying a company-specific solution.

⁷ Which correspond to the ten recommendations of the Good Governance Code with the lowest rate of compliance.

⁸ Categories taken from the following report: Risk Metrics (2009). *Study on Monitoring and Enforcement Practices in Corporate Governance in the Member States*, September.

- Transitional: companies undertake to apply the recommendation from which they currently deviate at a later stage.
- Specific: the company describes its specific situation and explains why these circumstances prevent it from complying fully with the recommendation.

Figure 13 tracks the classification of the explanations for the last three years, set alongside the European Union average of 2009.



Source: Company ACGRs and CNMV.

There was no improvement in the quality of explanations in 2016. Both explanations classed as general and those classed as invalid rose by over 11 percentage points. However, in Ibex 35 companies, for example, invalid explanations are almost 8 percentage points lower than in non-Ibex companies. The analysis conducted in accordance with the requirements set out in the Guide reveals that the quality of the explanations leaves room for improvement, which leads to the CNMV requesting additional explanations from issuers as part of its supervisory work.

7 Conclusions

- Since 2006, when the Unified Code was approved, there have been improvements in companies' ACGRs, especially in relation to the general information offered in these reports, as well as greater compliance with the recommendations.
- With regard to participation at general meetings, there was a noteworthy fall in physical attendance, to a greater extent than the increase recorded in proxy representation.

In addition, there was an increase in the use of electronic methods for casting votes and a reduction in other methods.

- With regard to board structure, the proportion of independent directors chairing the board rose by over 3 percentage points (10.9% in 2016).
- The average of 16.6% of women on company boards, even though this figure has risen by 4.6 percentage points since 2013, remains far from the 30% target set for 2020.
- 96.6% of listed issuers included an ICFR description in their ACGRs. Almost every Ibex 35 companies (94.1%) submitted this description to an auditor review.
- Compliance with the new Good Governance Code was high for what was its second year of application as, on average, 83.9% of its recommendations were followed.

However, it was noted that the least followed recommendations are those on the new practices recommended by the Code, particularly the recommendation that companies with a high capitalisation should have separate appointments and remuneration committees and that there should be information transparency prior to the general meeting.

- As indicated above, the explanations offered by Spanish listed companies in their ACGRs are the first to be prepared following publication of the Technical Guide on Good Practices for the Application of the “Comply or Explain” Principle.

An analysis conducted in accordance with the requirements set out in the Guide reveals that the quality of the explanations needs to be improved and therefore the CNMV, as it has done over recent years, will continue to pay particular attention to this aspect of corporate governance in the coming years.

III Legislative annex

New legislation since publication of the CNMV bulletin corresponding to October 2017 is as follows:

Spanish legislation

- **Royal Decree 827/2017, of 1 September, amending Royal Decree 878/2015, of 2 October**, on clearing, settlement and registry of negotiable securities represented in book-entry form, on the legal regime of central securities depositories and central counterparties and on transparency requirements of issuers of securities admitted to trading on an official secondary market.

The main changes introduced by this legislation are: i) adaptation of the reference of the previous legislation to the legislation currently in force (Royal Legislative Decree 4/2015, of 23 October, approving the recast text of the Securities Market Act); ii) it assigns particular importance to the issuer's website regarding publication of the deadline for the submission of certificates in order to be converted into book entries as these deadlines no longer need to be published in "the newspapers with the largest circulation in the province in which the company has its registered address", but rather in the Official Bulletin of the Companies Registry and on the entity's website; iii) it allows the use, not only of own accounts, but also of individual and omnibus accounts so that participating entities may deposit the securities of which they are holders; iv) it authorises the setting up of deposits in the Government Depository in order to pay the costs of State-provided services; and v) it repeals Article 46 and the second additional provision of Royal Decree 878/2015, of 2 October.

- **Royal Decree-Law 15/2017, of 6 October**, on urgent measures relating to the mobility of economic operators within the territory of Spain.

This Royal Decree-Law 15/2017 amends Article 285(2) of the Capital Companies Act, which is now worded as follows:

As an exception to the provisions set out above, the governing body will be authorised to change the registered address within Spain, unless otherwise provided in the articles of association. The articles of association will be considered to provide otherwise only when they expressly establish that the governing body does not hold this power.

In other words, unless the articles clearly state otherwise, the governing body (both the board of directors and the directors) may change the registered address to any location in Spain without the need for approval by the general shareholders' meeting.

- **CNMV Circular 2/2017, of 25 October**, amending Circular 2/2011, of 9 June, on information on foreign collective investment schemes registered with the CNMV.

CNMV Circular 2/2011, of 9 June, on information on foreign collective investment schemes registered with the CNMV, regulates the information that

foreign CIS marketed in Spain are required to submit to the CNMV and to shareholders and unit-holders. It also lays out the statistical statement that they must also send to the CNMV on a quarterly basis.

The growth in cross-border marketing of collective investment products makes it necessary to amend CNMV Circular 2/2011 so as to obtain a general overview of the marketing of foreign CIS in Spain and to have information on their development and the features of this market segment.

For this reason, statistical statement A01 is amended to incorporate new quantitative and qualitative variables.

It also explicitly requires non-harmonised foreign CIS to submit statistical information. Therefore, all foreign CIS marketed in Spain will be required to submit statistical statement A01.

- **CNMV Board Resolution of 25 October 2017**, amending the Resolution of 26 April 2017 on the delegation of powers.

Chapter III of the CNMV Resolution of 26 April 2017 on the delegation of powers is amended. The power to agree to include the qualifications and certificates referred to in Technical Guide 4/2017 in the list of qualifications is delegated to the CNMV's Executive Committee.

- **Law 9/2017, of 8 November**, on Public Sector Contracts, transposing Directives 2014/23/EU and 2014/24/EU of the European Parliament and of the Council, of 26 February 2014, into Spanish law.

In addition to transposing European legislation, the explanatory memorandum and Article 1 of this new Law set out other purposes and principles.

One of these is to reduce bureaucracy and administrative burdens. However, the new Law has 347 articles, 53 additional provisions, 5 transitional provisions, 1 repealing provision, 16 final provisions and 6 annexes and is therefore highly detailed and of a similar nature to a regulation.

Another of the objectives of the Law is the fight against corruption and it therefore cites integrity as a principle, which results from the necessary objectivity required from public authorities in Article 103 of the Spanish constitution, as well as the prohibition of arbitrary action by public authorities set out in Article 9(3) of the Spanish constitution.

The Law also aims to include environmental, social and innovation aspects in its criteria for awarding contracts, establishing itself, in its own words, as a tool for implementing public policies. In this regard, it seeks to open up public procurement to SMEs. This is a way of adapting European legislation to the reality of the Spanish business world.

In line with other legislation in this area, it also refers to the need to seek quality (value for money or obtaining quality works, services and supplies) and, therefore, it seeks to toughen regulations so as to avoid abnormally low bids.

Finally, Law 9/2017, like any other administrative legislation, invokes the constitutional principles of legal certainty, transparency, proportionality, equality and non-discrimination.

- **Royal Decree-Law 18/2017, of 24 November**, amending the Code of Commerce, the recast text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Account Auditing, in the matter of non-financial information and diversity.

This Royal Decree-Law transposes Directive 2014/95/EU of the European Parliament and of the Council, of 22 October 2014, amending Directive 2013/34/EU, into Spanish law as regards the disclosure of non-financial and diversity information by certain large undertakings and groups.

The explanatory memorandum of Royal Decree-Law 18/2017 provides an extensive description of the content of the aforementioned Directive 2014/95/EU, and stresses the importance that the latter grants to the disclosure of non-financial information, “such as social and economic factors”, with special emphasis on the diversity of competences and views “that they apply to their governing body with regard to issues such as age, sex, disability or professional training and experience”. The non-financial statement that must be prepared by companies subject to Directive 2014/95/EU – and, therefore, those subject to Spanish law as amended by Royal Decree-Law 18/2017 – may contain the actions taken “to ensure gender equality, implementation of fundamental conventions of the International Labour Organisation, working conditions, social dialogue, respect for the right of workers to be informed and consulted, respect for trade union rights, health and safety at work and the dialogue with local communities, and/or the actions taken to ensure the protection and the development of those communities”.

- **Royal Decree-Law 19/2017, of 24 November**, on basic payment accounts, switching of payment accounts and fee comparability.

The aim of Royal Decree-Law 19/2017 is to ensure the universal right of access to a basic payment account, to improve the transparency and comparability of the fees applied to payment accounts and to speed up the switching of payment accounts.

With regard to the scope of issues affected by this new legislation, the Royal Decree-Law establishes a specific regulation for basic payment accounts. It also regulates account switching and the comparison of fees for the services provided in any payment account, whether or not it is classified as a basic account.

With regard to the persons subject to the new legislation, it is important to highlight that the provisions apply to natural persons that act with a purpose other than their commercial, business, trade or professional activity. With regard to service providers, the scope of the legislation differs depending on the regulated matter. In the case of the comparability of the services and fees of payment accounts and in the case of switching payment accounts, Royal Decree-Law 19/2017 applies to payment service providers.

For all accounts in general, Royal Decree-Law 19/2017 establishes the right to switch to another entity, or within an entity. This obligation affects all payment service providers and not only credit institutions. The switch shall be made quickly, speedily and effectively in a maximum period of 13 days. In addition, payment service providers may refuse to transfer the balance of payment accounts of customers that have outstanding obligations on that account. In addition, it goes further than the EU Directive by allowing consumers to cancel accounts in 24 hours.

With regard to fees, it establishes that payment service providers shall give clients or potential clients a fee information document in good time. In addition, payment service providers must also give the client, every year and free of charge, a statement of all the fees charged for the services associated with a payment account.

In this context, the Bank of Spain may establish the requirements for both documents, which must be accurate, brief and clearly structured. It will have a free website that allows a comparison of the fees applied by payment service providers.

- **CNMV Circular 3/2017, of 29 November**, on the obligation to disclose corporate governance and remuneration policy through the website of investment firms and amending CNMV Circular 7/2008, of 26 November, on accounting standards, annual accounts and statements of confidential information of investment firms, management companies of collective investment schemes and management companies of venture capital firms.

The CNMV is authorised to specify both the terms according to which the websites of investment firms must be configured as well as the information on corporate governance and remuneration policies which, depending on their nature, scale and complexity, such firms are required to include therein. In accordance with point 5 of Article 31 *ter*, such disclosure obligations are not applicable to investment firms that do not provide the ancillary service of custody, but only one or several of the services of order receipt and transmission, execution, discretionary portfolio management and investment advice, and which are not authorised to have client money or securities in deposit and which therefore may never be in a debit situation with regard to said clients. This Circular establishes that the investment firms subject to said obligations must publish on their website, in a section entitled “Corporate governance and remuneration policy”, a range of information, including their articles of association and other internal organisation rules, their organisational structure and internal control procedures and the composition of the firm’s various governing bodies.

The information on the remuneration policy might include the information provided for in this matter in this Circular in the section entitled “Corporate governance and remuneration policy” or include therein a direct link to the document entitled “Informational solvency” referred to in Article 191 of the recast text of the Securities Market Act.

The additional provision amends Circular 7/2008 to incorporate the new accounting treatment of intangible assets, with the aim, *inter alia*, of establishing a harmonised regulation.

European legislation

- **Commission Decision (EU) 2017/1518**, of 31 August 2017, confirming the participation of Ireland in Regulation (EU) 2017/353 of the European Parliament and of the Council, replacing Annexes A and B to Regulation (EU) 2015/848 on insolvency proceedings.

This Decision shall enter into force on the day following its publication in the *Official Journal of the European Union*.

- **Commission Delegated Regulation (EU) 2017/1542**, of 8 June 2017, amending Delegated Regulation (EU) 2015/35, in relation to the calculation of regulatory capital requirements for certain categories of assets held by insurance and re-insurance undertakings (infrastructure corporates).

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Union*.

- **Regulation (EU) 2017/1538 of the European Central Bank**, of 25 August 2017, amending Regulation (EU) 2015/534 on reporting of supervisory financial information.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

- **Regulation (EU) 2017/1539 of the European Central Bank**, of 25 August 2017, laying down the date of application of Regulation (EU) 2017/1538, amending Regulation (EU) 2015/534, on reporting of supervisory financial information (ECB/2017/25) to less significant supervised entities that are subject to national accounting frameworks.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

- **Corrigendum to Commission Delegated Regulation (EU) 2017/565**, of 25 April 2016, supplementing Directive 2014/65/EU of the European Parliament and of the Council, as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

- **Corrigendum to Commission Delegated Regulation (EU) 2017/575**, of 8 June 2016, supplementing Directive 2014/65/EU of the European Parliament and of the Council, on markets in financial instruments with regard to regulatory technical standards concerning the data to be published by execution venues on the quality of execution of transactions.

- **Commission Delegated Regulation (EU) 2017/1943**, of 14 July 2016, supplementing Directive 2014/65/EU of the European Parliament and of the Council, with regard to regulatory technical standards on information and requirements for the authorisation of investment firms.

This Regulation aims to enable competent authorities to carry out a thorough assessment as part of the process for granting and refusing requests for authorisation of investment firms.

Therefore, an applicant should be required to submit to the competent authority precise information at the time of the initial request for authorisation.

In order to ensure that the competent authority's assessment is based on accurate information, an applicant is asked to provide a certified copy of the instrument of incorporation and a copy of registration of the company in the national register of companies.

Information on the sources of capital available, including the means used for transferring financial resources when raising capital, should be submitted by an applicant in order to enable competent authorities to assess that all relevant requirements in the field of financial crime have been complied with.

In addition, in order to enable competent authorities to assess the reputation of any person who will direct the business of the investment firm, and of the proposed shareholders and members with qualifying holdings, it is important to require an applicant to provide information on these persons. In particular, information will be required on the relevant education and professional training, and professional experience of the members of the management body and persons effectively directing the business and their related powers and any proxies.

In addition, financial information concerning the investment firm should be submitted by an applicant to the competent authorities so that these may assess the financial soundness of that investment firm.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union* (26 October 2017) and shall be binding in its entirety and directly applicable in all Member States.

- [Commission Implementing Regulation \(EU\) 2017/1944](#), of 13 June 2017, laying down implementing technical standards with regard to standard forms, templates and procedures for the consultation process between relevant competent authorities in relation to the notification of a proposed acquisition of a qualifying holding in an investment firm in accordance with Directives 2004/39/EC and 2014/65/EU of the European Parliament and of the Council.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

- [Commission Implementing Regulation \(EU\) 2017/1945](#), of 19 June 2017, laying down implementing technical standards with regard to notifications by and to applicant and authorised investment firms according to Directive 2014/65/EU of the European Parliament and of the Council.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*, and shall apply as from 3 January 2018.

- **Commission Delegated Regulation (EU) 2017/1946**, of 11 July 2017, supplementing Directives 2004/39/EC and 2014/65/EU of the European Parliament and of the Council, with regard to regulatory technical standards for an exhaustive list of information to be included by proposed acquirers in the notification of a proposed acquisition of a qualifying holding in an investment firm.

This Regulation sets out rules on the information to be included by a proposed acquirer in the notification of a proposed acquisition to the competent authorities of the investment firm in which the acquirer is seeking to acquire or increase a qualifying holding (“target entity”) for the assessment of the proposed acquisition.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

- **Commission Regulation (EU) 2017/1986**, of 31 October 2017, amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 16.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

- **Commission Regulation (EU) 2017/1987**, of 31 October 2017, amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 15.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

- **Commission Regulation (EU) 2017/1988**, of 3 November 2017, amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 4.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

- **Commission Regulation (EU) 2017/1989**, of 6 November 2017, amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 12.

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Union*.

- **Commission Regulation (EU) 2017/1990**, of 6 November 2017, amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards

in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 7.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

- **Corrigendum to Commission Delegated Regulation (EU) 2017/1018**, of 29 June 2016, supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards specifying information to be notified by investment firms, market operators and credit institutions.
- **Regulation (EU) 2017/1991 of the European Parliament and of the Council**, of 25 October 2017, amending Regulation (EU) No. 345/2013 on European venture capital funds and Regulation (EU) No. 346/2013 on European social entrepreneurship funds.

This Regulation aims to strengthen the internal market for qualifying venture capital funds and social entrepreneurship funds in the European Union by strengthening the use of the designations of these funds by managers that wish to market them in the European Union: European venture capital fund (EuVECA) and European social entrepreneurship fund (EuSEF).

It therefore introduces, *inter alia*, the following changes:

- It eliminates the restriction whereby only managers with assets under management that in total do not exceed the threshold referred to in point b) of Article 3(2) of Directive 2011/61/EU of the European Parliament and of the Council, of 8 June, on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010 qualified for the use of the designations “EuVECA” and “EuSEF”, respectively. In this regard, the use of said designations is extended to managers of collective investment undertakings that manage portfolios of qualifying venture capital funds and social entrepreneurship funds providing they meet the conditions laid down for the activity of alternative investment fund managers in accordance with the aforementioned Directive 2011/61/EU.
- Both internally managed qualifying venture capital funds and social entrepreneurship funds and external managers of said funds shall have an initial capital of 50,000 euros.
- The own funds and human and technical resources required for proper management of the funds are defined (i.e., own funds shall at all times amount to at least one eighth of the fixed overheads incurred by the manager in the previous year; where the value of the qualifying venture capital funds managed by the manager exceeds 250,000 euros, the manager shall provide an additional amount of own funds, etc.).

- It specifies the information to be included in applications for the registration of qualifying venture capital funds and social entrepreneurship funds by authorised managers of collective investment undertakings that wish to use the EuVECA and EuSEF designations. The competent authority shall inform the manager, within a period of two months, about whether the venture capital fund or social entrepreneurship fund has been considered as qualifying and, therefore, has been registered as an EuVECA or EuSEF.

The noteworthy specific changes for EuVECAs introduced by Regulation 2017/1991 are as follows:

- The range of available undertakings in which qualifying venture capital funds may invest is specified as: i) any company not admitted to trading on a regulated market or on a multilateral trading facility with up to 499 employees, or ii) any company that is an SME listed on an SME growth market.
- It establishes the possibility of providing more favourable treatment to private investors than public investors provided such aid is compatible with State aid rules and is disclosed in the fund's rules or instruments of incorporation.
- Lastly, with regard to the specific changes for EuSEFs, the information that must be included in the annual report is extended to include, in addition to the previously required information, a description of how environmental and climate-related risks are taken into account in the investment approach of the qualifying social entrepreneurship funds.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*, and shall apply as from 1 March 2018.

- **Commission Delegated Regulation (EU) 2017/2055**, of 23 June 2017, supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for the cooperation and exchange of information between competent authorities relating to the exercise of the right of establishment and the freedom to provide services of payment institutions.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

- **Decision (EU) 2017/2080 of the European Central Bank**, of 22 September 2017, amending Decision ECB/2010/9 on access to and use of certain TARGET2 data.

This Decision shall enter into force on the day following its publication in the *Official Journal of the European Union*.

- **Decision (EU) 2017/2081 of the European Central Bank**, of 10 October 2017, amending Decision ECB/2007/7 relating to the terms and conditions of TARGET2-ECB.

This Decision shall enter into force on 20 October 2017 and shall apply as from 13 November 2017.

- **Regulation (EU) 2017/2094 of the European Central Bank**, of 3 November 2017, amending Regulation (EU) No. 795/2014 on oversight requirements for systemically important payment systems.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

- **Commission Delegated Regulation (EU) 2017/2154**, of 22 September 2017, supplementing Regulation (EU) No. 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on indirect clearing arrangements.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*, and shall apply as from 3 January 2018.

- **Commission Delegated Regulation (EU) 2017/2155**, of 22 September 2017, amending Delegated Regulation (EU) No. 149/2013 with regard to regulatory technical standards on indirect clearing arrangements.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*, and shall apply as from 3 January 2018.

- **Commission Delegated Regulation (EU) 2017/2188**, of 11 August 2017, amending Regulation (EU) No. 575/2013 of the European Parliament and of the Council as regards the waiver on own funds requirements for certain covered bonds.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*, and shall apply as from 1 January 2018.

- **Commission Implementing Regulation (EU) 2017/2189**, of 24 November 2017, amending and correcting Implementing Regulation (EU) 2015/2450 laying down implementing technical standards with regard to the templates for the submission of information to the supervisory authorities according to Directive 2009/138/EC of the European Parliament and of the Council.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

- **Commission Implementing Regulation (EU) 2017/2190**, of 24 November 2017, amending and correcting Implementing Regulation (EU) 2015/2452, laying

down implementing technical standards with regard to the procedures, formats and templates of the solvency and financial condition report in accordance with Directive 2009/138/EC of the European Parliament and of the Council.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

- **Commission Delegated Regulation (EU) 2017/2194**, of 14 August 2017, supplementing Regulation (EU) No. 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to package orders.

This Regulation sets out the conditions under which it is appropriate to consider that there is a liquid market for the package order as a whole, as well as the asset-class specific criteria for package orders consisting exclusively of: i) interest rate derivatives, ii) equity derivatives, iii) credit derivatives and iv) commodity derivatives.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*, and shall apply as from 3 January 2018.

- **Commission Implementing Regulation (EU) 2017/2241**, of 6 December 2017, on the extension of the transitional periods related to own funds requirements for exposures to central counterparties set out in Regulations (EU) No. 575/2013 and (EU) No. 648/2012 of the European Parliament and of the Council.

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Union*.

- **Commission Delegated Regulation (EU) 2017/2294**, of 28 August 2017, amending Delegated Regulation (EU) 2017/565, as regards the specification of the definition of systematic internalisers for the purposes of Directive 2014/65/EU.

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Union*.

- **Commission Delegated Regulation (EU) 2017/2295**, of 4 September 2017, supplementing Regulation (EU) No. 575/2013 of the European Parliament and of the Council, with regard to regulatory technical standards for the disclosure of encumbered and unencumbered assets.

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*, except Article 2, which shall apply as from 2 January 2019.

Other legislation

- [Questions and answers on the implementation of the MiFID II Directive.](#)

This document, published on the webpage of the CNMV on 30 October, sets out the interpretative criteria that are considered appropriate in relation to the issues raised by the main sector associations related to the provision of investment services. However, these criteria are not definitive and will be reviewed in accordance with the transposition into Spanish law and the interpretation at a European level, by ESMA, of certain issues currently under discussion.

The document develops the following areas: product governance requirements; incentives; inducements in relation to research; conflicts of interest; general information requirements for clients; fair, clear and non-misleading information; information about the entity and the services; information on financial instruments; information on the safeguarding and use of financial instruments; information on costs and expenses; independent advice; periodic information on the portfolio management service; record-keeping obligations; recording of telephone conversations or electronic communications; suitability and appropriateness assessment; non-complex financial instruments; structured deposits; contracts with clients; best execution; and knowledge and competence.

IV Statistics annex

1 Markets

1.1 Equity

Share issues and public offerings¹

TABLE 1.1

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ²
NO. OF ISSUERS								
Total	49	50	45	18	16	16	18	12
Capital increases	47	45	45	18	15	13	18	12
Primary offerings	6	0	3	0	1	1	1	1
Bonus issues	19	17	18	8	4	2	7	3
Of which, scrip dividend	12	12	12	5	4	2	5	2
Capital increases by conversion	9	6	8	5	1	1	1	3
For non-monetary consideration	3	3	3	1	3	2	2	0
With pre-emptive subscription rights	5	12	11	1	2	1	2	3
Without trading warrants	18	16	11	4	5	6	5	3
Public offerings of shares	4	6	2	0	2	3	0	1
NO. OF ISSUES								
Total	143	111	81	23	27	18	19	14
Capital increases	136	99	79	23	25	14	19	13
Primary offerings	8	0	4	0	1	1	1	1
Bonus issues	37	28	25	8	4	2	7	3
Of which, scrip dividend	28	22	19	5	4	2	5	2
Capital increases by conversion	29	23	17	7	1	1	1	3
For non-monetary consideration	5	3	4	1	3	3	2	0
With pre-emptive subscription rights	5	15	11	1	2	1	2	3
Without trading warrants	52	30	18	6	14	6	6	3
Public offerings of shares	7	12	2	0	2	4	0	1
CASH VALUE (million euro)								
Total	32,759.2	37,065.5	20,251.7	4,154.3	8,723.5	11,067.7	10,090.2	2,181.7
Capital increases	27,872.3	28,733.9	19,745.1	4,154.3	7,364.2	10,049.8	10,090.2	1,614.4
Primary offerings	2,951.5	0.0	807.6	0.0	100.0	687.5	68.8	100.0
Bonus issues	12,650.8	9,627.8	5,898.3	2,552.1	1,084.4	850.3	1,152.5	720.1
Of which, scrip dividend	12,573.8	9,627.8	5,898.3	2,552.1	1,084.4	850.3	1,152.5	720.1
Capital increases by conversion	3,645.6	1,868.7	2,343.9	76.3	0.1	23.6	1,499.7	125.5
For non-monetary consideration ³	2,811.3	365.2	1,791.7	1,502.6	58.0	8,122.6	238.8	0.0
With pre-emptive subscription rights	2,790.8	7,932.6	6,513.3	4.6	185.3	11.7	7,102.9	531.6
Without trading warrants	3,022.2	8,939.7	2,390.2	18.6	5,936.4	354.1	27.6	137.2
Public offerings of shares	4,886.9	8,331.6	506.6	0.0	1,359.3	1,018.0	0.0	567.3
NOMINAL VALUE (million euro)								
Total	4,768.5	4,253.4	4,206.1	522.6	731.5	987.4	1,176.7	132.6
Capital increases	4,472.6	3,153.3	4,189.8	522.6	353.8	868.2	1,176.7	127.3
Primary offerings	626.7	0.0	28.2	0.0	60.8	625.0	62.5	0.9
Bonus issues	1,258.2	946.6	877.8	351.8	106.1	51.0	109.8	57.4
Of which, scrip dividend	1,110.0	785.8	708.0	326.5	106.1	51.0	92.2	49.7
Capital increases by conversion	784.3	89.6	648.0	21.5	0.0	17.2	154.3	11.3
For non-monetary consideration	311.0	146.6	248.9	146.7	17.6	70.8	80.7	0.0
With pre-emptive subscription rights	1,185.7	1,190.7	1,403.0	0.9	54.5	11.7	759.6	56.3
Without trading warrants	306.7	779.8	983.9	1.7	114.8	92.5	9.9	1.4
Public offerings of shares	295.9	1,100.2	16.3	0.0	377.7	119.2	0.0	5.4
Pro memoria: transactions MAB⁴								
No. of issuers	9	16	15	7	2	6	3	1
No. of issues	15	18	21	7	2	6	3	1
Cash value (million euro)	130.1	177.8	219.7	30.1	2.2	84.2	17.3	4.5
Capital increases	130.1	177.8	219.7	30.1	2.2	84.2	17.3	4.5
Of which, primary offerings	5.0	21.6	9.7	2.4	0.0	14.1	0.0	0.0
Public offerings of shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1 Registered transactions at the CNMV. Does not include data from MAB, ETF or Latibex.

2 Available data: November 2017.

3 Capital increases for non-monetary consideration are valued at market prices.

4 Unregistered transactions at the CNMV. Source: BME and CNMV.

Companies listed¹

TABLE 1.2

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ²
Total electronic market ³	129	129	130	130	131	131	133	134
Of which, without Nuevo Mercado	129	129	130	130	131	131	133	134
Of which, Nuevo Mercado	0	0	0	0	0	0	0	0
Of which, foreign companies	8	7	7	7	7	7	7	7
Second Market	6	5	5	5	5	5	4	4
Madrid	2	2	2	2	2	2	1	1
Barcelona	4	3	3	3	3	3	3	3
Bilbao	0	0	0	0	0	0	0	0
Valencia	0	0	0	0	0	0	0	0
Open outcry excl. SICAVs	20	18	14	14	14	13	12	12
Madrid	9	8	5	5	5	5	4	4
Barcelona	12	10	8	8	8	7	6	6
Bilbao	7	6	5	5	5	5	4	4
Valencia	4	3	3	3	3	3	3	3
Open outcry SICAVs	0	0	0	0	0	0	0	0
MAB ⁴	3,269	3,429	3,336	3,336	3,235	3,109	3,040	2,983
Latibex	26	21	20	20	20	20	20	20

1 Data at the end of period.

2 Available data: November 2017.

3 Without ETFs (Exchange Traded Funds).

4 Alternative Stock Market.

Capitalisation¹

TABLE 1.3

Million euro	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ²
Total electronic market ³	735,317.8	766,335.7	779,123.8	779,123.8	869,728.4	885,440.4	892,280.4	891,605.2
Of which, without Nuevo Mercado	735,317.8	766,335.7	779,123.8	779,123.8	869,728.4	885,440.4	892,280.4	891,605.2
Of which, Nuevo Mercado	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which, foreign companies ⁴	132,861.1	141,695.3	151,043.2	151,043.2	168,755.6	169,579.3	178,272.9	183,030.9
Ibex 35	479,378.5	477,521.1	484,059.2	484,059.2	542,678.3	545,738.5	551,761.2	542,545.2
Second Market	30.2	20.6	114.1	114.1	106.7	99.9	46.2	46.2
Madrid	15.8	20.6	72.0	72.0	74.1	62.3	8.7	8.7
Barcelona	14.4	0.0	42.1	42.1	32.6	37.6	37.6	37.6
Bilbao	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valencia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Open outcry excl. SICAVs	2,466.6	1,040.3	1,291.6	1,291.6	1,371.4	1,269.4	1,367.5	1,279.7
Madrid	376.5	296.9	289.9	289.9	270.2	248.2	250.5	156.6
Barcelona	2,356.5	887.7	1,136.6	1,136.6	1,215.1	1,113.3	1,211.4	1,125.0
Bilbao	162.5	943.3	54.0	54.0	319.0	289.7	318.5	202.0
Valencia	326.4	150.0	349.2	349.2	55.4	53.6	52.0	54.6
Open outcry SICAVs ⁵	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAB ^{5,6}	34,306.0	37,258.5	38,580.8	38,580.8	39,711.8	39,625.5	41,228.1	41,608.4
Latibex	286,229.2	116,573.4	198,529.6	198,529.6	212,625.4	194,968.9	220,350.0	211,872.0

1 Data at the end of period.

2 Available data: November 2017.

3 Without ETFs (Exchange Traded Funds).

4 Foreign companies capitalisation includes their entire shares, whether they are deposited in Spain or not.

5 Calculated only with outstanding shares, not including treasury shares, because capital stock is not reported until the end of the year.

6 Alternative Stock Market.

Million euro	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
Total electronic market ²	864,443.5	938,396.7	635,797.8	136,322.8	155,700.1	202,525.7	126,429.1	108,800.9
Of which, without Nuevo Mercado	864,443.5	938,396.7	635,797.8	136,322.8	155,700.1	202,525.7	126,429.1	108,800.9
Of which, Nuevo Mercado	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Of which, foreign companies	14,508.9	12,417.7	6,018.0	1,632.3	2,535.0	1,911.0	1,318.6	836.4
Second Market	0.7	13.8	3.1	0.3	0.1	0.4	0.0	0.1
Madrid	0.5	13.7	2.7	0.3	0.1	0.3	0.0	0.1
Barcelona	0.2	0.1	0.4	0.0	0.1	0.1	0.0	0.0
Bilbao	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valencia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Open outcry excl. SICAVs	92.5	246.1	7.4	1.4	4.7	0.8	0.5	1.2
Madrid	32.6	19.4	3.2	0.5	1.6	0.7	0.1	0.0
Barcelona	45.2	219.1	4.2	0.8	3.1	0.6	0.4	1.1
Bilbao	14.3	7.5	0.0	0.0	0.0	0.0	0.0	0.0
Valencia	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Open outcry SICAVs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAB ³	7,723.3	6,441.7	5,055.1	1,845.9	1,396.0	1,261.8	1,010.5	777.5
Latibex	373.1	258.7	156.4	58.9	71.2	31.3	12.3	10.3

1 Available data: November 2017.

2 Without ETFs (Exchange Traded Funds).

3 Alternative Stock Market.

Trading on the electronic market by type of transaction¹

TABLE 1.5

Million euro	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ²
Regular trading	831,962.6	903,397.2	619,351.6	129,322.9	150,670.1	196,224.5	122,853.6	106,052.2
Orders	453,294.9	475,210.0	346,980.8	82,994.9	86,616.7	95,087.3	73,585.3	59,431.1
Put-throughs	73,056.9	96,187.7	68,990.5	13,517.3	12,962.0	14,615.0	11,359.6	8,644.5
Block trades	305,610.8	331,999.5	203,380.2	32,810.8	51,091.4	86,522.2	37,908.8	37,976.6
Off-hours	7,568.8	3,137.9	1,996.2	995.9	500.8	500.7	411.2	420.5
Authorised trades	7,808.9	14,885.5	12,667.0	3,237.3	2,795.2	2,803.5	1,507.3	1,057.8
Art. 36.1 SML trades	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tender offers	175.3	4,360.1	788.4	0.0	56.1	184.9	146.6	0.0
Public offerings for sale	6,143.4	4,266.8	777.5	0.0	0.0	1,000.7	137.2	734.0
Declared trades	410.9	203.6	37.3	0.0	0.0	0.0	0.0	0.0
Options	6,954.1	5,964.2	5,408.3	2,104.6	943.5	1,088.4	930.4	138.6
Hedge transactions	3,419.5	2,181.4	1,833.8	662.1	734.4	723.0	442.7	397.8

1 Without ETFs (Exchange Traded Funds).

2 Available data: November 2017.

1.2 Fixed-income

Gross issues registered at the CNMV

TABLE 1.6

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
NO. OF ISSUERS								
Total	46	49	51	24	19	17	16	18
Mortgage covered bonds	13	13	13	8	3	5	6	4
Territorial covered bonds	3	3	3	1	0	1	0	0
Non-convertible bonds and debentures	16	16	16	10	9	8	6	7
Convertible bonds and debentures	1	1	0	0	0	0	0	0
Backed securities	13	16	20	8	6	4	2	8
Commercial paper	18	16	14	3	4	1	5	3
Of which, asset-backed	1	1	1	0	1	0	0	0
Of which, non-asset-backed	17	15	13	3	3	1	5	3
Other fixed-income issues	0	0	1	0	0	0	1	0
Preference shares	0	0	0	0	0	1	0	0
NO. OF ISSUES								
Total	662	415	399	124	115	91	69	75
Mortgage covered bonds	27	34	41	11	3	8	7	9
Territorial covered bonds	3	6	4	1	0	1	0	0
Non-convertible bonds and debentures	578	318	277	81	93	73	52	41
Convertible bonds and debentures	1	1	0	0	0	0	0	0
Backed securities	35	40	61	28	15	7	4	22
Commercial paper ²	18	16	15	3	4	1	5	3
Of which, asset-backed	1	1	1	0	1	0	0	0
Of which, non-asset-backed	17	15	14	3	3	1	5	3
Other fixed-income issues	0	0	1	0	0	0	1	0
Preference shares	0	0	0	0	0	1	0	0
NOMINAL AMOUNT (million euro)								
Total	130,258.4	136,607.3	139,028.2	55,523.5	25,428.9	23,049.9	13,156.3	31,045.5
Mortgage covered bonds	23,838.0	31,375.0	31,642.5	11,500.0	2,250.0	9,050.0	5,175.0	13,048.7
Territorial covered bonds	1,853.3	10,400.0	7,250.0	2,000.0	0.0	350.0	0.0	0.0
Non-convertible bonds and debentures	41,154.7	39,099.9	40,170.4	26,358.3	13,485.7	2,763.1	1,125.4	2,172.0
Convertible bonds and debentures	750.0	53.2	0.0	0.0	0.0	0.0	0.0	0.0
Backed securities	29,008.0	28,369.6	35,504.9	9,625.0	6,525.0	3,594.0	2,968.8	10,925.6
Spanish tranche	26,972.1	25,147.2	32,228.7	8,541.0	5,463.4	1,899.1	2,968.8	10,925.6
International tranche	2,035.9	3,222.4	3,276.2	1,084.0	1,061.6	1,694.9	0.0	0.0
Commercial paper ³	33,654.4	27,309.6	22,960.4	6,040.2	3,168.2	6,292.9	2,906.1	4,899.2
Of which, asset-backed	620.0	2,420.0	1,880.0	740.0	0.0	1,000.0	0.0	800.0
Of which, non-asset-backed	33,034.4	24,889.6	21,080.4	5,300.2	3,168.2	5,292.9	2,906.1	4,099.2
Other fixed-income issues	0.0	0.0	1,500.0	0.0	0.0	0.0	981.0	0.0
Preference shares	0.0	0.0	0.0	0.0	0.0	1,000.0	0.0	0.0
Pro memoria:								
Subordinated issues	7,999.3	5,452.2	4,278.7	1,435.3	1,519.5	1,956.0	1,370.2	939.7
Underwritten issues	195.8	0.0	421.0	0.0	0.0	0.0	0.0	0.0

1 Available data: November 2017.

2 Shelf registrations.

3 The figures for commercial paper refer to the amount placed.

Issues admitted to trading on AIAF¹

TABLE 1.7

Nominal amount in million euro	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ²
Total	114,956.3	145,890.9	130,141.0	31,703.7	46,071.9	24,669.4	11,621.6	21,298.2
Commercial paper	33,493.1	27,455.3	22,770.6	5,949.2	3,053.3	6,429.4	2,923.6	4,837.0
Bonds and debentures	25,712.5	47,616.4	31,723.0	2,153.3	36,668.6	2,485.1	1,140.2	1,796.1
Mortgage covered bonds	24,438.0	31,375.0	31,392.5	11,250.0	2,500.0	9,050.0	3,675.0	13,462.5
Territorial covered bonds	1,853.3	10,400.0	7,250.0	2,000.0	0.0	350.0	0.0	0.0
Backed securities	29,459.5	29,044.2	35,504.9	10,351.2	3,850.0	5,355.0	3,882.8	1,202.6
Preference shares	0.0	0.0	0.0	0.0	0.0	1,000.0	0.0	0.0
Matador bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other fixed-income issues	0.0	0.0	1,500.0	0.0	0.0	0.0	0.0	0.0

¹ Includes only corporate bonds.

² Available data: November 2017.

AIAF. Issuers, issues and outstanding balance

TABLE 1.8

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
NO. OF ISSUERS								
Total	465	388	375	375	366	364	354	342
Corporate bonds	464	387	374	374	365	365	355	343
Commercial paper	19	16	14	14	14	14	15	14
Bonds and debentures	79	64	52	52	50	49	50	51
Mortgage covered bonds	49	44	43	43	43	43	41	41
Territorial covered bonds	9	9	9	9	6	7	7	7
Backed securities	329	278	276	276	277	277	268	257
Preference shares	23	13	9	9	7	5	5	5
Matador bonds	9	7	6	6	6	6	6	6
Government bonds	1	1	1	1	1	1	1	1
Letras del Tesoro	1	1	1	1	1	1	1	1
Long Government bonds	1	1	1	1	1	1	1	1
NO. OF ISSUES								
Total	3,345	2,723	2,637	2,637	2,523	2,488	2,383	2,349
Corporate bonds	3,192	2,531	2,433	2,433	2,319	2,283	2,179	2,111
Commercial paper	1,130	392	351	351	278	273	210	193
Bonds and debentures	495	882	856	856	836	801	789	769
Mortgage covered bonds	283	238	231	231	221	223	221	225
Territorial covered bonds	39	32	29	29	25	26	24	24
Backed securities	1,188	966	948	948	948	949	924	889
Preference shares	47	16	12	12	5	5	5	5
Matador bonds	10	7	6	6	6	6	6	6
Government bonds	153	193	204	204	204	205	204	238
Letras del Tesoro	12	12	12	12	12	12	12	12
Long Government bonds	141	181	192	192	192	193	192	226
OUTSTANDING BALANCE² (million euro)								
Total	1,374,947.5	1,386,289.8	1,408,556.6	1,408,556.6	1,422,127.2	1,432,584.5	1,431,569.8	1,438,928.9
Corporate bonds	581,825.3	534,088.9	531,056.9	531,056.9	511,128.8	511,257.9	500,673.2	504,760.0
Commercial paper	20,361.6	15,172.9	16,637.4	16,637.4	13,874.9	14,512.2	13,047.8	13,023.5
Bonds and debentures	74,076.5	74,082.2	85,477.8	85,477.8	83,394.1	82,059.7	80,566.5	81,363.4
Mortgage covered bonds	208,314.2	194,072.7	180,677.5	180,677.5	173,111.7	178,061.7	178,686.7	190,723.4
Territorial covered bonds	24,671.3	27,586.3	29,387.3	29,387.3	25,612.3	25,962.3	23,862.3	23,862.3
Backed securities	253,045.1	222,100.4	217,992.1	217,992.1	214,309.9	208,866.1	202,713.9	193,991.4
Preference shares	782.1	627.4	497.8	497.8	439.0	1,409.0	1,409.0	1,409.0
Matador bonds	574.4	447.1	386.9	386.9	386.9	386.9	386.9	386.9
Government bonds	793,122.3	852,200.9	877,499.6	877,499.6	910,998.4	921,326.6	930,896.6	934,169.0
Letras del Tesoro	77,926.1	82,435.4	81,037.1	81,037.1	80,187.7	77,061.8	75,232.3	78,361.9
Long Government bonds	715,196.2	769,765.5	796,462.5	796,462.5	830,810.8	844,264.8	855,664.3	855,807.1

¹ Available data: November 2017.

² Nominal amount.

Nominal amount in million euro	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
BY TYPE OF ASSET								
Total	1,118,963.7	521,853.7	169,658.2	39,147.1	31,697.1	27,276.5	9,223.0	125.0
Corporate bonds	1,118,719.6	521,590.4	169,534.0	39,107.5	31,668.4	27,243.2	9,196.4	112.8
Commercial paper	48,817.3	31,346.2	20,684.3	4,859.7	3,805.9	1,721.1	1,617.3	0.0
Bonds and debentures	269,659.8	78,120.5	27,795.6	6,096.3	8,546.0	5,015.9	2,088.4	112.8
Mortgage covered bonds	376,273.3	187,201.7	79,115.6	17,450.1	10,836.0	10,513.5	3,586.8	0.0
Territorial covered bonds	82,023.2	46,711.4	5,329.3	2,000.0	367.0	14.7	0.0	0.0
Backed securities	341,827.8	177,844.1	36,554.9	8,668.8	8,095.4	8,632.8	1,774.2	0.0
Preference shares	97.7	295.5	43.1	24.4	7.5	1,345.2	129.7	0.0
Matador bonds	20.5	71.1	11.1	8.1	10.7	0.0	0.0	0.0
Government bonds	244.1	263.3	124.2	39.7	28.6	33.2	26.6	12.1
Letras del Tesoro	30.7	30.2	8.5	7.4	0.2	3.7	0.1	0.1
Long Government bonds	213.4	233.1	115.8	32.3	28.4	29.5	26.5	12.0
BY TYPE OF TRANSACTION								
Total	1,118,963.7	521,853.7	169,658.3	39,147.2	31,697.1	27,276.5	9,223.0	125.0
Outright	396,341.0	239,086.8	127,643.7	31,866.5	25,722.2	24,784.8	6,991.5	125.0
Repos	29,800.4	7,144.5	4,143.7	300.3	485.2	140.3	46.1	0.0
Sell-buybacks/Buy-sellbacks	692,822.2	267,875.7	37,870.9	6,980.4	5,489.7	2,351.4	2,185.5	0.0

¹ Available data: November 2017.

AIAF. Third-party trading. By purchaser sector

TABLE 1.10

Nominal amount in million euro	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
Total	262,527.8	193,694.8	117,373.0	29,512.0	21,523.7	21,360.4	6,123.9	123.7
Non-financial companies	30,843.4	22,747.1	7,119.3	684.5	732.3	408.9	351.4	0.0
Financial institutions	132,114.5	95,467.1	63,048.2	17,548.6	10,506.3	9,375.4	3,298.6	123.7
Credit institutions	87,475.6	74,196.0	46,583.9	14,222.1	7,618.2	5,592.3	1,967.1	107.8
CIS, insurance and pension funds	34,205.9	8,835.4	8,525.2	1,674.9	2,079.5	1,605.2	653.1	0.0
Other financial institutions	10,433.1	12,435.7	7,939.1	1,651.6	808.6	2,178.0	678.3	16.0
General government	5,067.3	10,414.4	4,969.7	911.8	1,488.3	1,405.8	302.1	0.0
Households and NPISHs ²	2,861.8	1,575.2	1,076.0	237.6	182.4	55.6	18.5	0.0
Rest of the world	91,640.7	63,491.1	41,159.9	10,129.6	8,614.3	10,114.7	2,153.3	0.0

¹ Available data: November 2017.

² Non-profit institutions serving households.

Equity markets. Issuers, issues and outstanding balances

TABLE 1.11

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
NO. OF ISSUERS								
Total	28	20	17	17	17	17	17	17
Private issuers	17	10	7	7	7	7	7	7
Non-financial companies	0	0	0	0	0	0	0	0
Financial institutions	17	10	7	7	7	7	7	7
General government ²	11	10	10	10	10	10	10	10
Regional governments	3	2	2	2	2	2	2	2
NO. OF ISSUES								
Total	165	103	75	75	72	69	68	66
Private issuers	65	43	26	26	25	24	24	24
Non-financial companies	0	0	0	0	0	0	0	0
Financial institutions	65	43	26	26	25	24	24	24
General government ²	100	60	49	49	47	45	44	42
Regional governments	56	25	23	23	23	24	23	22
OUTSTANDING BALANCES³ (million euro)								
Total	16,800.4	11,702.2	10,203.4	10,203.4	11,572.7	10,361.7	9,983.6	9,824.2
Private issuers	3,401.2	1,383.3	899.4	899.4	885.1	831.2	796.4	777.9
Non-financial companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial institutions	3,401.2	1,383.3	899.4	899.4	885.1	831.2	796.4	777.9
General government ²	13,399.2	10,319.0	9,304.0	9,304.0	9,315.3	9,530.5	9,187.2	9,046.4
Regional governments	12,227.2	9,320.2	8,347.6	8,347.6	8,347.6	8,572.6	8,333.1	8,193.1

1 Available data: November 2017.

2 Without public book-entry debt.

3 Nominal amount.

Trading on equity markets

TABLE 1.12

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
Nominal amounts in million euro								
Electronic market	861.2	19.3	0.0	0.0	0.0	0.0	0.0	0.0
Open outcry	5,534.0	2,050.2	1,673.0	578.3	0.0	0.0	0.0	0.0
Madrid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Barcelona	5,527.0	2,050.2	1,673.0	578.3	0.0	0.0	0.0	0.0
Bilbao	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valencia	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public book-entry debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Regional governments debt	42,677.2	22,169.0	3,103.5	454.7	0.0	0.0	0.0	0.0

1 Available data: November 2017.

Organised trading systems: SENAF y MTS. Public debt trading by type

TABLE 1.13

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
Nominal amounts in million euro								
Total	103,044.0	101,555.0	165,472.0	43,230.0	46,843.0	30,714.0	22,979.0	23,947.0
Outright	103,044.0	101,555.0	165,472.0	43,230.0	46,843.0	30,714.0	22,979.0	23,947.0
Sell-buybacks/Buy-sellbacks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1 Available data: November 2017.

1.3 Derivatives and other products

1.3.1 Financial derivatives markets: MEFF

Trading on MEFF

TABLE 1.14

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
Number of contracts								
Debt products	5,347	8,012	360	0	0	0	0	0
Debt futures ²	5,347	8,012	360	0	0	0	0	0
Ibex 35 products ^{3,4}	7,984,894	8,279,939	7,468,299	1,763,750	1,649,245	613,384	1,884,123	2,426,427
Ibex 35 plus futures	6,924,068	7,384,896	6,836,500	1,601,511	1,522,880	504,996	1,441,668	1,825,169
Ibex 35 mini futures	304,891	318,129	249,897	46,679	37,201	15,370	348,633	470,050
Ibex 35 dividend impact futures	23,939	32,499	58,044	25,661	8,780	6,377	6,963	4,468
Ibex 35 sectorals futures	–	–	1,619	1,499	855	450	1,530	3,105
Call mini options	483,471	325,479	169,871	48,763	35,945	42,028	41,606	62,618
Put mini options	248,526	218,937	152,368	39,637	43,585	44,164	43,724	61,017
Stock products ⁵	38,611,291	31,768,355	32,736,458	10,385,728	8,167,514	7,490,441	7,331,026	5,399,781
Futures	12,740,105	10,054,830	9,467,294	2,038,002	2,841,669	2,444,395	2,695,822	2,049,030
Stock dividend futures	236,151	291,688	367,785	109,396	62,500	0	49,689	47,389
Stock plus dividend futures	–	1,152	760	560	0	320	0	0
Call options	11,719,370	8,572,088	11,239,662	4,075,065	2,545,493	2,467,250	1,849,335	1,271,829
Put options	13,915,665	12,848,597	11,660,957	4,162,705	2,717,852	2,578,476	2,736,180	2,031,533

1 Available data: November 2017.

2 Contract size: 100.000 euros.

3 The number of Ibex 35 mini futures (multiples of 1 euro) was standardised to the size of the Ibex 35 plus futures (multiples of 10 euro).

4 Contract size: Ibex 35 * 10 euros.

5 Contract size: 100 stocks.

1.3.2 Warrants, option buying and selling contracts, and ETF (Exchange-Traded Funds)

Issues registered at the CNMV

TABLE 1.15

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
WARRANTS								
Premium amount (million euro)	3,644.2	3,479.1	2,688.6	722.2	461.0	332.3	1,304.0	243.5
On stocks	1,770.9	1,807.3	1,438.2	361.2	280.7	193.2	328.3	133.9
On indexes	1,697.3	1,486.1	1,153.1	336.2	166.2	123.3	959.0	105.3
Other underlyings ²	176.0	185.6	97.2	24.7	14.1	15.8	16.7	4.3
Number of issues	8,574	9,059	7,809	2,053	1,435	1,192	2,312	714
Number of issuers	6	8	5	5	6	4	5	4
OPTION BUYING AND SELLING CONTRACTS								
Nominal amounts (million euro)	0.0	5.0	650.0	500.0	305.0	608.5	450.0	401.0
On stocks	0.0	5.0	650.0	500.0	300.0	600.0	450.0	400.0
On indexes	0.0	0.0	0.0	0.0	5.0	8.5	0.0	1.0
Other underlyings ²	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Number of issues	0	1	4	1	3	5	3	3
Number of issuers	0	1	1	2	2	2	1	2

1 Available data: November 2017.

2 Includes the following underlying: baskets of stocks, exchange rates, interest rates and commodities.

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
WARRANTS								
Trading (million euro)	817.7	1,095.9	460.8	139.6	139.6	103.9	96.0	94.6
On Spanish stocks	379.8	303.6	155.4	57.0	57.0	41.2	28.5	23.9
On foreign stocks	51.2	66.7	24.3	8.6	8.6	6.6	5.0	7.0
On indexes	364.3	692.0	273.2	71.6	71.6	54.3	59.5	61.2
Other underlyings ²	22.4	33.6	8.0	2.4	2.4	1.7	3.0	2.5
Number of issues ³	7,612	7,530	6,296	1,561	1,580	1,169	951	1,151
Number of issuers ³	8	9	8	8	6	7	7	7
CERTIFICATES								
Trading (million euro)	1.7	1.1	0.3	0.0	0.0	0.0	0.0	0.3
Number of issues ³	2	2	2	2	1	2	0	1
Number of issuers ³	1	1	1	1	1	1	0	1
ETFs								
Trading (million euro)	9,849.5	12,633.8	3,771.8	1,288.9	1,095.7	1,196.3	699.3	1,173.3
Number of funds	70	58	33	33	21	9	9	8
Assets ⁴ (million euro)	436.1	436.1	349.3	349.3	393.4	367.6	367.1	-

1 Available data: November 2017.

2 Includes the following underlying: baskets of stocks, exchange rates, interest rates and commodities.

3 Issues or issuers which were traded in each period.

4 Assets from national collective investment schemes are only included because assets from foreign ones are not available.

2 Investment services

Investment services. Spanish firms, branches and agents

TABLE 2.1

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
BROKER-DEALERS								
Spanish firms	38	39	40	40	40	40	41	41
Branches	21	25	27	27	27	27	28	23
Agents	6,116	5,819	5,761	5,761	5,751	5,773	5,763	5,750
BROKERS								
Spanish firms	37	39	41	41	46	47	48	48
Branches	19	21	22	22	22	22	22	25
Agents	466	468	492	492	454	472	469	466
PORTFOLIO MANAGEMENT COMPANIES								
Spanish firms	5	3	2	2	2	1	1	1
Branches	5	9	8	8	0	0	0	0
Agents	1	0	0	0	0	0	0	0
FINANCIAL ADVISORY FIRMS								
Spanish firms	143	154	160	160	161	166	168	172
Branches	11	12	16	16	16	17	20	21
CREDIT INSTITUTIONS²								
Spanish firms	137	134	126	126	125	125	124	122

1 Available data: November 2017.

2 Source: Banco de España.

Investment services. Foreign firms

TABLE 2.2

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
Total	3,100	3,176	3,310	3,310	3,345	3,368	3,366	3,375
Investment services firms	2,639	2,716	2,843	2,843	2,880	2,905	2,900	2,907
From EU member states	2,637	2,713	2,840	2,840	2,877	2,902	2,897	2,904
Branches	39	42	46	46	49	50	51	53
Free provision of services	2,598	2,671	2,794	2,794	2,828	2,852	2,846	2,851
From non-EU states	2	3	3	3	3	3	3	3
Branches	0	0	0	0	0	0	0	0
Free provision of services	2	3	3	3	3	3	3	3
Credit institutions ²	461	460	467	467	465	463	466	468
From EU member states	452	451	460	460	459	457	460	462
Branches	54	53	55	55	55	56	55	54
Free provision of services	398	398	405	405	404	401	405	408
Subsidiaries of free provision of services institutions	0	0	0	0	0	0	0	0
From non-EU states	9	9	7	7	6	6	6	6
Branches	6	6	5	5	4	4	4	4
Free provision of services	3	3	2	2	2	2	2	2

1 Available data: November 2017.

2 Source: Banco de España and CNMV.

Intermediation of spot transactions¹

TABLE 2.3

Million euro	2014	2015	2016	2016			2017		
				III	IV	I	II	III	
FIXED-INCOME									
Total	9,264,859.8	5,365,817.5	4,625,411.6	1,124,102.8	993,743.7	1,135,283.7	921,329.6	830,152.5	
Broker-dealers	4,989,059.9	3,774,816.4	3,171,599.2	762,082.2	711,054.6	728,709.2	559,969.9	470,314.6	
Spanish organised markets	2,372,515.0	1,909,130.4	1,350,483.4	336,786.1	269,298.8	305,662.1	208,103.1	149,376.2	
Other Spanish markets	2,388,868.8	1,689,702.4	1,570,540.0	375,674.4	378,973.4	340,438.6	292,400.3	273,027.3	
Foreign markets	227,676.1	175,983.6	250,575.8	49,621.7	62,782.4	82,608.5	59,466.5	47,911.1	
Brokers	4,275,799.9	1,591,001.1	1,453,812.4	362,020.6	282,689.1	406,574.5	361,359.7	359,837.9	
Spanish organised markets	89,472.6	14,160.0	25,247.8	3,039.3	1,026.1	1,611.4	2,114.7	1,317.3	
Other Spanish markets	3,955,091.6	1,402,106.3	1,222,925.7	320,816.5	239,503.4	343,082.9	306,549.5	317,566.3	
Foreign markets	231,235.7	174,734.8	205,638.9	38,164.8	42,159.6	61,880.2	52,695.5	40,954.3	
EQUITY									
Total	940,623.2	1,020,289.5	798,564.7	167,119.5	215,189.9	179,859.0	220,664.0	187,021.8	
Broker-dealers	875,037.7	914,649.2	636,727.0	117,048.1	150,644.4	166,798.5	191,970.1	143,388.5	
Spanish organised markets	814,349.4	855,883.2	583,283.9	105,234.4	137,582.1	153,257.5	178,408.9	133,659.1	
Other Spanish markets	2,828.5	3,327.8	2,313.1	373.5	716.8	755.3	1,317.1	458.3	
Foreign markets	57,859.8	55,438.2	51,130.0	11,440.2	12,345.5	12,785.7	12,244.1	9,271.1	
Brokers	65,585.5	105,640.3	161,837.7	50,071.4	64,545.5	13,060.5	28,693.9	43,633.3	
Spanish organised markets	16,726.7	14,207.3	11,090.1	3,778.5	2,083.0	1,615.2	1,782.9	1,325.8	
Other Spanish markets	14,009.1	13,769.0	8,902.9	2,431.0	3,992.4	1,085.8	2,710.8	3,424.4	
Foreign markets	34,849.7	77,664.0	141,844.7	43,861.9	58,470.1	10,359.5	24,200.2	38,883.1	

1 Period accumulated data.

Intermediation of derivative transactions^{1,2}

TABLE 2.4

Million euro	2014	2015	2016	2016			2017		
				III	IV	I	II	III	
Total	10,095,572.3	12,104,474.3	10,985,305.6	2,347,754.9	2,700,454.0	2,662,706.3	2,598,171.3	2,301,768.2	
Broker-dealers	9,918,555.0	11,958,716.2	10,698,379.2	2,271,808.1	2,644,744.7	2,617,322.1	2,553,651.3	2,264,865.2	
Spanish organised markets	4,625,999.8	6,215,223.3	4,842,990.7	1,026,111.9	1,097,787.4	1,114,489.2	1,262,127.4	1,198,702.1	
Foreign organised markets	4,913,770.3	5,386,722.4	5,204,785.7	1,109,120.9	1,392,656.8	1,358,134.8	1,192,378.6	963,880.9	
Non-organised markets	378,784.9	356,770.5	650,602.8	136,575.3	154,300.5	144,698.1	99,145.3	102,282.2	
Brokers	177,017.3	145,758.1	286,926.4	75,946.8	55,709.3	45,384.2	44,520.0	36,903.0	
Spanish organised markets	6,881.8	7,510.9	20,935.4	5,370.4	4,301.9	3,859.8	3,595.4	2,203.1	
Foreign organised markets	37,016.8	27,846.8	59,427.1	15,957.8	15,990.8	9,697.5	8,813.9	10,086.7	
Non-organised markets	133,118.7	110,400.4	206,563.9	54,618.6	35,416.6	31,826.9	32,110.7	24,613.2	

1 The amount of the buy and sell transactions of financial assets, financial futures on values and interest rates, and other transactions on interest rates will be the securities nominal or notional value or the principal to which the contract reaches. The amount of the transactions on options will be the strike price of the underlying asset multiplied by the number of instruments committed.

2 Period accumulated data.

Portfolio management. Number of portfolios and assets under management¹

TABLE 2.5

	2014	2015	2016	2016		2017		
				III	IV	I	II	III
NUMBER OF PORTFOLIOS								
Total ²	13,483	13,713	15,818	12,202	15,818	12,774	13,340	13,300
Broker-dealers. Total	4,741	5,711	5,743	5,939	5,743	5,518	5,356	5,261
CIS ³	63	60	34	40	34	25	26	23
Other ⁴	4,678	5,651	5,709	5,899	5,709	5,493	5,330	5,238
Brokers. Total	4,484	5,681	6,512	6,263	6,512	7,256	7,984	8,039
CIS ³	63	95	90	89	90	86	85	90
Other ⁴	4,421	5,586	6,422	6,174	6,422	7,170	7,899	7,949
Portfolio management companies. ² Total	4,258	2,321	3,563	-	3,563	-	-	-
CIS ³	5	1	1	-	1	-	-	-
Other ⁴	4,253	2,320	3,562	-	3,562	-	-	-
ASSETS UNDER MANAGEMENT (thousand euro)								
Total ²	11,661,203	9,201,678	13,298,318	7,866,400	13,298,318	37,109,106	38,275,173	37,889,931
Broker-dealers. Total	4,905,630	5,406,804	5,534,052	5,513,589	5,534,052	34,351,526	35,491,677	35,042,579
CIS ³	1,371,924	1,546,293	890,371	1,122,936	890,371	869,025	886,772	379,843
Other ⁴	3,533,706	3,860,511	4,643,682	4,390,654	4,643,682	33,482,501	34,604,905	34,662,736
Brokers. Total	1,935,646	2,565,132	2,557,207	2,352,811	2,557,207	2,757,580	2,783,496	2,847,352
CIS ³	846,244	1,448,260	1,352,653	1,229,490	1,352,653	1,435,779	1,473,639	1,522,674
Other ⁴	1,089,403	1,116,872	1,204,553	1,123,322	1,204,553	1,321,800	1,309,857	1,324,679
Portfolio management companies. ² Total	4,819,927	1,229,742	5,207,059	-	5,207,059	-	-	-
CIS ³	118,847	15,729	15,916	-	15,916	-	-	-
Other ⁴	4,701,080	1,214,013	5,191,143	-	5,191,143	-	-	-

1 Data at the end of period. Revised data from third quarter 2016.

2 Only public information about portfolio management companies is shown since the first quarter of 2016 with the objective of maintaining statistical secrecy, as the number of companies is not enough to ensure it. For the rest of the periods only broker-dealers and brokers data are shown.

3 Includes both resident and non-resident CIS management.

4 Includes the rest of clients, both covered and not covered by the Investment Guarantee Fund, an investor compensation scheme regulated by Royal Decree 948/2001.

Financial advice. Number of contracts^{1, 2}

TABLE 2.6

	2014	2015	2016	2016		2017		
				III	IV	I	II	III
NUMBER OF CONTRACTS								
Total (except investment advisory firms) ³	12,761	14,569	17,856	14,319	17,856	16,929	18,253	18,349
Broker-dealers. Total ⁴	3,437	1,183	1,193	1,198	1,193	1,289	1,357	1,436
Retail clients	3,409	1,159	1,182	1,161	1,182	1,281	1,344	1,422
Professional clients	11	11	3	22	3	1	6	6
Brokers. Total ⁴	7,511	11,456	14,358	13,121	14,358	15,640	16,896	16,913
Retail clients	7,322	11,247	14,170	12,946	14,170	15,461	16,714	16,735
Professional clients	169	176	154	147	154	144	145	141
Portfolio management companies. ³ Total ⁴	1,813	1,930	2,305	-	2,305	-	-	-
Retail clients	1,805	1,928	2,303	-	2,303	-	-	-
Professional clients	8	2	2	-	2	-	-	-
Pro memoria: commission received for financial advice⁵ (thousand euro)								
Total (except investment advisory firms) ³	18,747	10,937	11,515	7,772	11,515	2,935	6,153	9,732
Broker-dealers	10,638	2,930	2,547	1,909	2,547	645	1,670	2,586
Brokers	7,260	7,636	8,614	5,863	8,614	2,290	4,483	7,146
Portfolio management companies ³	849	371	354	-	354	-	-	-

1 Data at the end of period.

2 Quarterly data on assets advised are not available since the enter into force of CNMV Circular 3/2014, of 22 October.

3 Only public information about portfolio management companies is shown since the first quarter of 2016 with the objective of maintaining statistical secrecy, as the number of companies is not enough to ensure it. For the rest of the periods only broker-dealers and brokers data are shown.

4 Includes retail, professional and other clients.

5 Accumulated data from the beginning of the year to the last day of every quarter. It includes companies removed throughout the year.

Aggregated income statement. Broker-dealers

TABLE 2.7

Thousand euro ¹	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ²
I. Interest income	74,177	55,570	53,930	53,930	37,612	49,527	51,951	52,058
II. Net commission	445,317	422,542	373,552	373,552	98,284	199,702	308,230	338,022
Commission revenues	633,263	614,705	538,586	538,586	136,196	276,224	419,488	462,529
Brokering	342,462	322,857	245,700	245,700	60,936	120,062	167,589	187,089
Placement and underwriting	21,414	11,556	5,955	5,955	2,787	10,789	14,317	15,336
Securities deposit and recording	22,347	24,358	47,843	47,843	9,847	19,632	28,094	30,304
Portfolio management	21,046	22,541	23,738	23,738	12,726	25,648	40,595	44,987
Design and advising	19,502	13,575	14,648	14,648	2,727	6,447	9,915	10,942
Stocks search and placement	4,367	1,497	2,155	2,155	322	947	1,255	1,318
Market credit transactions	0	0	0	0	0	0	0	0
CIS marketing	62,948	73,889	75,505	75,505	19,625	40,148	60,857	68,165
Other	139,177	144,432	123,042	123,042	27,226	52,551	96,866	104,387
Commission expenses	187,946	192,163	165,034	165,034	37,912	76,522	111,258	124,507
III. Financial investment income	222,077	215,861	104,292	104,292	11,961	20,155	29,923	35,357
IV. Net exchange differences and other operating products and expenses	-96,425	-128,200	-1,177	-1,177	10,654	15,769	21,179	22,831
V. Gross income	645,146	565,773	530,597	530,597	158,511	285,153	411,283	448,268
VI. Operating income	265,509	186,771	169,499	169,499	67,505	98,631	147,541	156,756
VII. Earnings from continuous activities	192,467	141,291	140,521	140,521	62,058	89,921	129,661	143,489
VIII. Net earnings of the period	192,467	141,291	140,521	140,521	62,058	89,921	129,661	143,489

1 Accumulated data from the beginning of the year to the last day of every quarter. It includes companies removed throughout the year.

2 Available data: October 2017.

Results of proprietary trading. Broker-dealers

TABLE 2.8

Thousand euro ¹	2014	2015	2016	2016		2017		
				III	IV	I	II	III
TOTAL								
Total	200,010	137,327	152,893	108,543	152,893	60,430	81,930	99,011
Money market assets and public debt	12,342	9,327	8,332	6,422	8,332	1,072	1,973	2,837
Other fixed-income securities	31,631	24,795	35,415	25,572	35,415	9,484	17,792	25,586
Domestic portfolio	23,038	8,990	19,863	13,764	19,863	6,004	11,298	15,172
Foreign portfolio	8,593	15,805	15,552	11,808	15,552	3,480	6,494	10,414
Equities	800,035	112,943	135,587	133,877	135,587	21,940	27,445	38,048
Domestic portfolio	112,635	18,141	14,010	10,238	14,010	5,131	7,094	9,203
Foreign portfolio	687,400	94,802	121,577	123,639	121,577	16,809	20,351	28,845
Derivatives	-565,800	109,668	-52,325	-56,862	-52,325	-19,817	-23,118	-30,322
Repurchase agreements	345	-248	-471	-361	-471	-140	-256	-292
Market credit transactions	0	0	0	0	0	0	7	0
Deposits and other transactions with financial Intermediaries	1,205	1,605	-1,030	-1,824	-1,030	171	417	399
Net exchange differences	-110,807	-142,545	-29,730	-29,944	-29,730	3,562	4,109	3,982
Other operating products and expenses	14,384	14,344	28,555	10,390	28,555	7,091	11,660	17,197
Other transactions	16,675	7,438	28,560	21,273	28,560	37,067	41,901	41,576
INTEREST INCOME								
Total	74,177	55,570	53,930	49,273	53,930	37,613	49,529	51,952
Money market assets and public debt	2,123	2,156	1,708	1,276	1,708	289	756	1,168
Other fixed-income securities	3,371	2,731	1,742	1,271	1,742	337	664	965
Domestic portfolio	2,147	1,534	809	550	809	137	265	352
Foreign portfolio	1,224	1,197	933	721	933	200	399	613
Equities	63,460	43,826	24,619	23,146	24,619	454	3,299	5,032
Domestic portfolio	28,679	3,622	3,298	2,397	3,298	39	1,409	2,047
Foreign portfolio	34,781	40,204	21,321	20,749	21,321	415	1,890	2,985
Repurchase agreements	345	-248	-471	-361	-471	-140	-256	-292
Market credit transactions	0	0	0	0	0	0	7	0
Deposits and other transactions with financial Intermediaries	1,205	1,605	-1,030	-1,824	-1,030	171	417	399
Other transactions	3,673	5,500	27,362	25,765	27,362	36,502	44,642	44,680
FINANCIAL INVEST INCOME								
Total	222,077	215,861	104,291	84,287	104,291	11,961	20,152	29,922
Money market assets and public debt	10,219	7,171	6,624	5,146	6,624	783	1,217	1,669
Other fixed-income securities	28,260	22,064	33,673	24,301	33,673	9,147	17,128	24,621
Domestic portfolio	20,891	7,456	19,054	13,214	19,054	5,867	11,033	14,820
Foreign portfolio	7,369	14,608	14,619	11,087	14,619	3,280	6,095	9,801
Equities	736,575	69,117	110,968	110,731	110,968	21,486	24,146	33,016
Domestic portfolio	83,956	14,519	10,712	7,841	10,712	5,092	5,685	7,156
Foreign portfolio	652,619	54,598	100,256	102,890	100,256	16,394	18,461	25,860
Derivatives	-565,800	109,668	-52,325	-56,862	-52,325	-19,817	-23,118	-30,322
Other transactions	12,823	7,841	5,351	971	5,351	362	779	938
EXCHANGE DIFFERENCES AND OTHER ITEMS								
Total	-96,244	-134,104	-5,328	-25,017	-5,328	10,856	12,249	17,137
Net exchange differences	-110,807	-142,545	-29,730	-29,944	-29,730	3,562	4,109	3,982
Other operating products and expenses	14,384	14,344	28,555	10,390	28,555	7,091	11,660	17,197
Other transactions	179	-5,903	-4,153	-5,463	-4,153	203	-3,520	-4,042

¹ Accumulated data from the beginning of the year to the last day of every quarter. It includes companies removed throughout the year.

Aggregated income statement. Brokers

TABLE 2.9

Thousand euro ¹	2014	2015	2016	2016			2017		
				IV	I	II	III	IV ²	
I. Interest income	1,119	884	903	903	157	818	994	1,271	
II. Net commission	120,634	113,904	108,111	108,111	27,149	55,773	82,015	91,328	
Commission revenues	147,137	135,320	129,682	129,682	32,971	66,788	98,340	109,379	
Brokering	41,745	31,845	24,181	24,181	5,666	10,759	15,003	17,089	
Placement and underwriting	8,129	3,829	3,193	3,193	1,510	1,804	1,903	1,922	
Securities deposit and recording	567	521	603	603	111	355	633	720	
Portfolio management	15,062	10,711	11,054	11,054	2,991	5,797	8,890	9,867	
Design and advising	7,576	7,856	8,980	8,980	2,347	4,664	7,401	8,024	
Stocks search and placement	0	216	40	40	0	0	0	0	
Market credit transactions	0	0	0	0	0	0	0	0	
CIS marketing	46,565	53,169	50,504	50,504	12,424	26,491	40,658	45,837	
Other	27,493	27,173	31,128	31,128	7,921	16,918	23,852	25,920	
Commission expenses	26,503	21,416	21,571	21,571	5,822	11,015	16,325	18,051	
III. Financial investment income	775	592	245	245	258	157	228	618	
IV. Net exchange differences and other operating products and expenses	1,102	1,197	-1,030	-1,030	-267	-1,107	-1,570	-1,623	
V. Gross income	123,626	116,577	108,229	108,229	27,297	55,641	81,667	91,594	
VI. Operating income	24,366	22,148	10,140	10,140	4,475	6,652	8,951	11,215	
VII. Earnings from continuous activities	19,922	17,266	6,982	6,982	3,820	5,640	7,448	9,426	
VIII. Net earnings of the period	19,922	17,266	6,982	6,982	3,820	5,640	7,448	9,426	

1 Accumulated data from the beginning of the year to the last day of every quarter. It includes companies removed throughout the year.

2 Available data: October 2017.

Aggregated income statement. Portfolio management companies^{1,2}

TABLE 2.10

Thousand euro	2012	2013	2014	2015	2016
I. Interest income	733	667	574	399	83
II. Net commission	7,879	9,362	11,104	8,526	6,617
Commission revenues	17,887	18,603	15,411	13,064	6,617
Portfolio management	16,307	17,028	13,572	11,150	4,228
Design and advising	1,579	1,575	849	371	354
Other	0	0	990	1,544	2,035
Commission expenses	10,008	9,241	4,307	4,538	0
III. Financial investment income	4	9	-6	-28	-1
IV. Net exchange differences and other operating products and expenses	-1	-32	-237	-234	-126
V. Gross income	8,615	10,006	11,435	8,663	6,573
VI. Operating income	1,406	3,554	5,860	3,331	3,172
VII. Earnings from continuous activities	1,411	3,563	5,860	3,331	3,172
VIII. Net earnings of the period	953	2,472	4,135	2,335	2,222

1 Accumulated data from the beginning of the year. It includes companies removed throughout the year.

2 Only public information about portfolio management companies is shown since the first quarter of 2016 with the objective of maintaining statistical secrecy, as the number of companies is not enough to ensure it.

Capital adequacy and capital ratio^{1,2}

TABLE 2.11

	2014	2015	2016	2016		2017		
				III	IV	I	II	III
TOTAL³								
Total capital ratio ⁴	40.27	43.14	44.13	40.58	44.13	32.60	37.42	35.41
Own funds surplus (thousand euro)	1,056,285	1,090,823	965,833	1,080,658	965,833	954,784	1,023,378	970,656
Surplus (%) ⁵	403.43	439.29	451.60	407.25	451.60	307.54	367.77	342.64
Number of companies according to its surplus percentage								
≤ 100%	16	16	15	16	15	16	15	19
> 100-≤ 300%	24	22	25	21	25	28	26	22
> 300-≤ 500%	12	12	13	13	13	10	15	15
> 500%	21	20	18	17	18	17	16	17
BROKER-DEALERS								
Total capital ratio ⁴	40.84	44.81	45.97	47.59	45.97	33.12	38.49	36.34
Own funds surplus (thousand euro)	981,613	1,037,623	912,248	1,103,012	912,248	905,344	973,923	921,152
Surplus (%) ⁵	410.56	44.81	474.60	494.87	474.60	314.06	381.14	354.31
Number of companies according to its surplus percentage								
≤ 100%	5	6	8	6	8	8	6	7
> 100-≤ 300%	14	11	11	11	11	14	12	12
> 300-≤ 500%	6	7	9	10	9	6	9	8
> 500%	14	14	12	15	12	12	13	13
BROKERS								
Total capital ratio ⁴	24.30	25.14	26.35	25.55	26.35	25.82	25.40	25.00
Own funds surplus (thousand euro)	42,106	47,196	47,620	46,024	47,620	49,440	49,455	49,504
Surplus (%) ⁵	203.80	25.14	229.33	219.43	229.33	222.80	217.53	212.44
Number of companies according to its surplus percentage								
≤ 100%	11	10	7	7	7	8	9	12
> 100-≤ 300%	8	10	13	13	13	14	14	10
> 300-≤ 500%	6	5	4	4	4	4	6	7
> 500%	4	5	5	5	5	5	3	4
PORTFOLIO MANAGEMENT COMPANIES³								
Total capital ratio ⁴	133.69	71.26	61.64	-	61.64	-	-	-
Own funds surplus (thousand euro)	32,566	6,004	5,965	-	5,965	-	-	-
Surplus (%) ⁵	1,571.12	791.04	670.22	-	670.22	-	-	-
Number of companies according to its surplus percentage								
≤ 100%	0	0	0	-	0	-	-	-
> 100-≤ 300%	2	1	1	-	1	-	-	-
> 300-≤ 500%	0	0	0	-	0	-	-	-
> 500%	3	1	1	-	1	-	-	-

1 On 1 January 2014 entered into force the Regulation (EU) No. 575/2013 of the European Parliament and of the Council, of 26 June 2013, on prudential requirements for credit institutions and investment firms, which has changed the own funds requirements calculation. Since January 2014 only the entities subject to reporting requirements are included, according to CNMV Circular 2/2014, of 23 June, on the exercise of various regulatory options regarding solvency requirements for investment firms and their consolidated groups.

2 Revised data from 2015.

3 Only public information about portfolio management companies is shown since the first quarter of 2016 with the objective of maintaining statistical secrecy, as the number of companies is not enough to ensure it. For the rest of the periods only broker-dealers and brokers data are shown.

4 Total capital ratio is the own funds of the institution expressed as a percentage of the total risk exposure amount. This ratio should not be under 8%.

5 Average surplus percentage is weighted by the required equity of each company. It is an indicator of the number of times, in percentage terms, that the surplus contains the required equity in an average company.

Return on equity (ROE) before taxes¹

TABLE 2.12

	2014	2015	2016	2016		2017		
				III	IV	I	II	III
TOTAL²								
Average (%) ³	22.83	15.34	15.97	12.96	15.97	21.78	16.40	16.18
No. of companies according to its annualized return								
Losses	11	21	20	29	20	23	25	22
0-≤ 15%	30	23	31	24	31	20	22	32
> 15-≤ 45%	23	22	17	14	17	25	25	19
> 45-≤ 75%	11	5	6	5	6	6	7	9
> 75%	8	9	9	10	9	12	8	7
BROKER-DEALERS								
Average (%) ³	23.04	14.85	16.16	12.90	16.16	22.10	16.62	16.50
No. of companies according to its annualized return								
Losses	4	9	8	15	8	11	10	9
0-≤ 15%	18	14	20	14	20	8	12	17
> 15-≤ 45%	11	10	6	7	6	13	11	10
> 45-≤ 75%	5	4	2	3	2	4	5	3
> 75%	2	2	4	3	4	4	2	2
BROKERS								
Average (%) ³	22.18	21.52	11.53	13.86	11.53	17.84	13.57	12.13
No. of companies according to its annualized return								
Losses	7	12	12	14	12	12	15	13
0-≤ 15%	11	8	10	10	10	12	10	15
> 15-≤ 45%	8	11	11	7	11	12	14	9
> 45-≤ 75%	6	1	3	2	3	2	2	6
> 75%	6	7	5	7	5	8	6	5
PORTFOLIO MANAGEMENT COMPANIES²								
Average (%) ³	16.95	24.49	46.29	-	46.29	-	-	-
No. of companies according to its annualized return								
Losses	0	0	0	-	0	-	-	-
0-≤ 15%	1	1	1	-	1	-	-	-
> 15-≤ 45%	4	1	0	-	0	-	-	-
> 45-≤ 75%	0	0	1	-	1	-	-	-
> 75%	0	0	0	-	0	-	-	-

1 ROE has been calculated as:

$$ROE = \frac{\text{Earnings before taxes (annualized)}}{\text{Own Funds}}$$

Own Funds = Share capital + Paid-in surplus + Reserves - Own shares + Prior year profits and retained earnings - Interim dividend.

- 2 Only public information about portfolio management companies is shown since the first quarter of 2016 with the objective of maintaining statistical secrecy, as the number of companies is not enough to ensure it. For the rest of the periods only broker-dealers and brokers data are shown.
- 3 Average weighted by equity, %.

Financial advisory firms. Main figures¹

TABLE 2.13

Thousand euro	2012	2013	2014	2015	2016
ASSETS ADVISED²					
Total	14,776,498	17,630,081	21,379,858	25,366,198	28,555,839
Retail clients	3,267,079	4,991,653	5,707,640	6,777,181	7,592,441
Professional	3,594,287	3,947,782	4,828,459	5,109,979	5,657,508
Other	7,915,132	8,690,646	10,843,759	13,479,037	15,305,890
COMMISSION INCOME³					
Total	26,177	33,272	47,616	56,726	52,244
Commission revenues	26,065	33,066	47,037	55,781	51,508
Other income	112	206	579	945	736
EQUITY					
Total	13,402	21,498	26,454	25,107	24,402
Share capital	4,365	5,156	5,576	5,881	6,834
Reserves and retained earnings	4,798	9,453	8,993	7,585	11,697
Income for the year ³	4,239	6,890	11,885	11,531	7,965

1 Annual frequency since 2015 (CNMV Circular 3/2014, of 22 October).

2 Data at the end of each period.

3 Accumulated data from the beginning of the year.

3 Collective investment schemes (CIS)^a

Number, management companies and depositories of collective investment schemes registered at the CNMV

TABLE 3.1

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
Total financial CIS	5,232	5,180	5,035	5,035	4,844	4,765	4,674	4,615
Mutual funds	1,949	1,760	1,748	1,748	1,741	1,721	1,712	1,695
Investment companies	3,228	3,372	3,239	3,239	3,054	2,990	2,907	2,865
Funds of hedge funds	18	11	7	7	8	9	9	9
Hedge funds	37	37	41	41	41	45	46	46
Total real estate CIS	11	9	9	9	10	10	10	7
Real estate mutual funds	4	3	3	3	3	3	3	3
Real estate investment companies	7	6	6	6	7	7	7	4
Total foreign CIS marketed in Spain	805	880	941	941	959	957	998	1,002
Foreign funds marketed in Spain	405	425	441	441	440	430	452	451
Foreign companies marketed in Spain	400	455	500	500	519	527	546	551
Management companies	96	96	101	101	105	106	107	109
CIS depositories	70	65	56	56	56	55	55	55

1 Available data: November 2017.

Number of CIS investors and shareholders¹

TABLE 3.2

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ²
Total financial CIS	6,859,555	8,164,054	8,704,329	8,704,329	9,774,214	9,999,138	10,489,150	10,475,167
Mutual funds	6,409,344	7,680,124	8,248,249	8,248,249	9,326,259	9,562,652	10,060,765	10,050,591
Investment companies	450,211	483,930	456,080	456,080	447,955	436,486	428,385	424,576
Total real estate CIS	4,866	4,501	4,601	4,601	4,463	4,450	4,450	1,799
Real estate mutual funds	4,021	3,918	3,927	3,927	3,946	3,960	3,963	1,319
Real estate investment companies	845	583	674	674	517	490	487	480
Total foreign CIS marketed in Spain ³	1,317,674	1,643,776	1,748,604	1,748,604	1,984,474	2,134,143	2,196,847	–
Foreign funds marketed in Spain	230,104	298,733	372,872	372,872	431,295	448,554	460,374	–
Foreign companies marketed in Spain	1,087,570	1,345,043	1,375,732	1,375,732	1,553,179	1,685,589	1,736,473	–

1 Investors and shareholders who invest in many sub-funds from the same CIS have been taken into account once. For this reason, investors and shareholders can be different from those in Tables 3.6 and 3.7.

2 Available data: October 2017.

3 Exchange traded funds (ETFs) data is not included.

CIS total net assets

TABLE 3.3

Million euro	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
Total financial CIS	230,205.7	255,677.0	269,953.8	269,953.8	279,923.4	285,434.0	290,181.9	293,674.8
Mutual funds ²	198,718.8	222,144.6	237,862.2	237,862.2	247,279.3	253,581.1	258,466.2	261,642.9
Investment companies	31,486.9	33,532.4	32,091.6	32,091.6	32,644.1	31,852.9	31,715.7	32,031.9
Total real estate CIS	1,226.3	1,093.1	1,077.4	1,077.4	1,084.0	1,082.8	1,088.9	1,089.2
Real estate mutual funds	419.8	391.0	370.1	370.1	369.7	360.5	360.3	360.6
Real estate investment companies	806.5	702.1	707.3	707.3	714.3	722.3	728.6	728.6
Total foreign CIS marketed in Spain ³	78,904.3	108,091.6	114,990.2	114,990.2	127,534.6	137,341.6	141,828.0	–
Foreign funds marketed in Spain	11,166.0	15,305.1	21,337.5	21,337.5	25,306.4	26,864.2	27,108.5	–
Foreign companies marketed in Spain	67,738.3	92,786.5	93,652.8	93,652.8	102,228.1	110,477.4	114,719.5	–

1 Available data: October 2017.

2 Mutual funds investment in financial mutual funds of the same management company reached 6,758.6 million euro in September 2017.

3 Exchange traded funds (ETFs) data is not included.

a All information about mutual funds and investment companies comprised in this section does not include hedge funds and funds of hedge funds. The information about hedge funds and funds of hedge funds is included in Table 3.12.

Mutual funds asset allocation

TABLE 3.4

Million euro	2014	2015	2016	2016			2017		
				III	IV	I	II	III	
Asset	198,718.8	222,144.6	237,862.2	229,117.4	237,862.2	247,279.3	253,581.1	258,466.2	
Portfolio investment	187,693.9	204,797.4	219,141.1	210,750.0	219,141.1	227,574.3	234,855.5	239,130.5	
Domestic securities	114,644.5	93,833.6	95,799.1	93,163.0	95,799.1	93,627.1	88,257.1	83,884.6	
Debt securities	79,694.4	58,451.3	63,471.1	60,689.9	63,471.1	63,454.6	60,082.3	55,836.9	
Shares	8,448.0	8,757.5	8,529.9	7,834.3	8,529.9	9,687.4	10,248.0	10,429.3	
Investment collective schemes	6,065.3	5,698.5	6,249.5	5,641.4	6,249.5	6,567.0	6,811.8	7,534.8	
Deposits in credit institutions	19,927.4	20,482.9	17,134.3	18,712.9	17,134.3	13,356.1	10,562.0	9,546.8	
Derivatives	495.4	433.7	405.7	275.8	405.7	554.4	545.4	529.2	
Other	14.0	9.7	8.5	8.7	8.5	7.7	7.7	7.4	
Foreign securities	73,048.3	110,957.0	123,336.0	117,579.5	123,336.0	133,927.6	146,588.9	155,236.4	
Debt securities	38,582.2	48,542.8	56,307.9	54,092.7	56,307.9	59,346.7	64,848.2	67,487.2	
Shares	13,042.9	18,654.1	20,035.3	18,500.2	20,035.3	23,257.2	24,241.5	25,958.6	
Investment collective schemes	20,863.9	43,365.7	46,435.1	44,540.0	46,435.1	50,626.4	56,832.3	61,155.5	
Deposits in credit institutions	243.3	104.1	81.2	95.7	81.2	127.5	101.8	90.8	
Derivatives	310.6	285.6	474.3	347.6	474.3	567.7	563.3	542.6	
Other	5.4	4.8	2.3	3.3	2.3	2.1	1.8	1.7	
Doubtful assets and matured investment	1.2	6.8	6.1	7.5	6.1	19.5	9.5	9.5	
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net fixed assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cash	10,895.0	16,594.5	18,392.6	17,559.1	18,392.6	19,493.7	19,077.4	18,910.6	
Net balance (debtors - creditors)	129.9	752.7	328.5	808.3	328.5	211.3	-351.8	425.1	

Investment companies asset allocation

TABLE 3.5

Million euro	2014	2015	2016	2016			2017		
				III	IV	I	II	III	
Asset	31,486.9	33,532.4	32,091.6	32,319.6	32,091.6	32,644.1	31,852.9	31,715.7	
Portfolio investment	29,080.6	30,035.2	28,127.7	28,450.5	28,127.7	29,463.9	28,708.5	28,745.3	
Domestic securities	11,063.7	9,424.4	7,707.1	7,954.8	7,707.1	7,898.8	7,305.1	6,684.0	
Debt securities	5,115.9	3,663.3	2,395.4	2,508.5	2,395.4	2,266.2	2,231.0	1,842.5	
Shares	3,324.4	3,090.3	2,871.9	2,788.1	2,871.9	3,151.4	2,923.2	2,816.7	
Investment collective schemes	1,433.0	1,418.4	1,485.3	1,522.6	1,485.3	1,660.4	1,636.6	1,598.9	
Deposits in credit institutions	1,169.3	1,226.3	925.3	1,105.2	925.3	789.6	477.5	390.8	
Derivatives	-10.8	-7.4	-5.2	-2.7	-5.2	-4.7	-3.2	-4.1	
Other	31.9	33.7	34.4	33.0	34.4	36.0	39.9	39.2	
Foreign securities	18,015.2	20,608.1	20,412.7	20,490.2	20,412.7	21,556.7	21,396.7	22,054.3	
Debt securities	3,897.1	4,472.0	4,263.3	4,456.5	4,263.3	4,347.3	4,395.1	4,471.0	
Shares	6,227.7	7,025.9	6,465.5	6,440.9	6,465.5	6,766.6	6,512.0	6,821.5	
Investment collective schemes	7,784.2	9,090.2	9,653.0	9,572.2	9,653.0	10,423.0	10,456.9	10,744.4	
Deposits in credit institutions	2.3	6.2	6.7	6.9	6.7	6.8	4.5	4.4	
Derivatives	94.4	8.3	15.7	6.4	15.7	5.5	20.3	3.7	
Other	9.5	5.5	8.4	7.3	8.4	7.6	7.9	9.4	
Doubtful assets and matured investment	1.7	2.7	7.9	5.6	7.9	8.4	6.7	6.9	
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net fixed assets	0.1	0.1	0.1	0.1	0.1	0.1	0.6	0.6	
Cash	2,197.7	3,211.3	3,791.7	3,596.5	3,791.7	2,961.6	2,942.8	2,719.2	
Net balance (debtors - creditors)	208.5	285.8	172.2	272.6	172.2	218.5	201.0	250.6	

Financial mutual funds: number, investors and total net assets by category^{1, 2}

TABLE 3.6

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ³
NO. OF FUNDS								
Total financial mutual funds	1,951	1,804	1,805	1,805	1,815	1,804	1,795	1,788
Fixed-income ⁴	359	319	306	306	296	299	294	295
Mixed fixed-income ⁵	123	132	148	148	154	154	158	159
Mixed equity ⁶	131	142	168	168	172	173	177	177
Euro equity	103	109	112	112	114	112	113	113
Foreign equity	191	200	201	201	209	212	210	213
Guaranteed fixed-income	280	186	122	122	111	100	90	88
Guaranteed equity ⁷	273	205	198	198	201	197	190	192
Global funds	162	178	203	203	208	217	223	228
Passive management	227	213	220	220	218	212	213	214
Absolute return	102	97	106	106	111	107	106	107
INVESTORS								
Total financial mutual funds	6,409,806	7,682,947	8,253,611	8,253,611	9,332,934	9,569,922	10,068,296	10,054,532
Fixed-income ⁴	1,941,567	2,203,847	2,347,984	2,347,984	2,554,194	2,656,675	2,660,197	2,650,950
Mixed fixed-income ⁵	603,099	1,130,190	1,043,798	1,043,798	1,169,480	1,114,668	1,154,688	1,163,671
Mixed equity ⁶	377,265	612,276	448,491	448,491	485,795	533,200	552,773	561,219
Euro equity	381,822	422,469	395,697	395,697	429,147	515,999	663,541	602,739
Foreign equity	705,055	1,041,517	1,172,287	1,172,287	1,505,724	1,547,970	1,790,875	1,818,490
Guaranteed fixed-income	669,448	423,409	307,771	307,771	273,188	239,787	205,956	205,554
Guaranteed equity ⁷	557,030	417,843	552,445	552,445	576,664	560,146	542,772	536,384
Global funds	223,670	381,590	658,722	658,722	857,135	903,273	985,627	1,015,646
Passive management	686,526	554,698	746,233	746,233	723,472	697,071	673,604	660,166
Absolute return	264,324	479,182	565,325	565,325	743,411	786,472	823,971	838,867
TOTAL NET ASSETS (million euro)								
Total financial mutual funds	198,718.8	222,144.6	237,862.2	237,862.2	247,279.3	253,581.1	258,466.2	261,642.9
Fixed-income ⁴	70,330.9	65,583.8	74,226.4	74,226.4	72,038.9	71,124.9	70,297.1	70,108.9
Mixed fixed-income ⁵	24,314.3	44,791.8	40,065.6	40,065.6	41,468.7	41,777.8	42,668.4	43,034.7
Mixed equity ⁶	13,570.4	21,502.9	16,310.6	16,310.6	18,159.5	19,831.4	20,754.6	21,357.1
Euro equity	8,401.5	9,092.9	8,665.9	8,665.9	9,874.5	10,996.5	11,753.3	11,824.1
Foreign equity	12,266.4	17,143.2	17,678.8	17,678.8	20,687.1	20,994.3	22,445.3	23,424.8
Guaranteed fixed-income	20,417.0	12,375.6	8,679.8	8,679.8	7,694.5	6,858.1	5,828.2	5,828.6
Guaranteed equity ⁷	12,196.4	9,966.6	15,475.7	15,475.7	16,418.9	16,183.3	15,909.7	15,796.8
Global funds	6,886.3	12,683.3	20,916.8	20,916.8	24,735.0	29,044.8	31,439.9	32,971.6
Passive management	23,837.5	17,731.1	23,601.6	23,601.6	22,701.7	21,601.5	20,972.4	20,576.3
Absolute return	6,498.1	11,228.1	12,215.2	12,215.2	13,474.6	15,142.6	16,371.3	16,695.9

1 Sub-funds which have sent reports to the CNMV excluding those in process of dissolution or liquidation.

2 From July 2015 on, side-pocket sub-funds data is only included in aggregate figures, but it is not included in any category.

3 Available data: October 2017.

4 Fixed income euro, Foreign fixed-income, Monetary market funds and Short-term monetary market funds.

5 Mixed euro fixed-income and Foreign mixed fixed-income.

6 Mixed euro equity and Foreign mixed equity.

7 Guaranteed equity and Partial guarantee.

Financial mutual funds: Detail of investors and total net assets by type of investors

TABLE 3.7

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ¹
INVESTORS								
Total financial mutual funds	6,409,806	7,682,947	8,253,611	8,253,611	9,332,934	9,569,922	10,068,296	10,054,532
Individuals	6,235,148	7,494,162	8,059,916	8,059,916	9,129,242	9,364,720	9,860,295	9,848,662
Residents	6,170,201	7,422,330	7,985,404	7,985,404	9,049,798	9,283,417	9,775,710	9,764,294
Non-residents	64,947	71,832	74,512	74,512	79,444	81,303	84,585	84,368
Legal entities	174,658	188,785	193,695	193,695	203,692	205,202	208,001	205,870
Credit institutions	493	532	497	497	522	632	638	551
Other resident institutions	173,351	187,395	192,381	192,381	202,317	203,662	206,445	204,430
Non-resident institutions	814	858	817	817	853	908	918	889
TOTAL NET ASSETS (million euro)								
Total financial mutual funds	198,718.8	222,144.6	237,862.2	237,862.2	247,279.3	253,581.1	258,466.2	261,642.9
Individuals	159,423.5	181,868.0	195,567.5	195,567.5	203,626.4	209,000.6	212,672.1	215,398.6
Residents	157,135.2	179,232.4	192,743.0	192,743.0	200,701.5	206,029.8	209,623.1	212,325.6
Non-residents	2,288.3	2,635.6	2,824.5	2,824.5	2,924.9	2,970.9	3,049.0	3,073.0
Legal entities	39,295.4	40,276.6	42,294.8	42,294.8	43,652.9	44,580.5	45,794.1	46,244.3
Credit institutions	459.8	483.0	374.3	374.3	433.5	455.1	462.7	554.1
Other resident institutions	38,245.2	39,071.0	41,212.4	41,212.4	42,381.9	43,178.4	44,412.0	44,792.2
Non-resident institutions	590.4	722.6	708.1	708.1	837.4	947.0	919.4	898.0

1 Available data: October 2017.

Subscriptions and redemptions of financial mutual funds by category^{1, 2}

TABLE 3.8

Million euro	2014	2015	2016	2016		2017		
				III	IV	I	II	III
SUBSCRIPTIONS								
Total financial mutual funds	136,161.2	159,036.2	113,274.7	27,729.7	31,500.5	39,646.1	39,562.9	26,147.6
Fixed-income	65,698.5	66,789.7	53,163.3	10,893.9	13,930.4	15,239.2	14,448.6	10,458.6
Mixed fixed-income	21,675.7	36,441.2	11,065.3	2,417.0	3,522.6	6,295.0	5,690.0	3,312.3
Mixed equity	8,991.2	13,771.0	4,250.6	807.5	1,588.1	2,812.7	3,037.3	1,669.3
Euro equity	6,702.0	6,719.9	3,716.3	583.2	1,202.5	1,572.3	2,275.5	1,421.0
Foreign equity	5,843.2	11,236.2	7,167.6	1,636.1	2,386.7	3,746.8	3,213.5	2,273.9
Guaranteed fixed-income	847.8	562.4	2,005.3	460.8	724.7	482.0	230.3	91.5
Guaranteed equity	3,684.6	1,993.2	7,942.5	1,389.6	1,994.9	1,488.7	375.8	234.3
Global funds	3,752.9	9,636.1	8,914.5	4,778.0	1,673.4	5,074.2	6,824.7	3,612.7
Passive management	15,081.3	3,350.5	10,195.7	3,647.4	3,162.0	889.5	504.0	491.5
Absolute return	3,884.4	8,363.0	4,853.2	1,116.2	1,315.2	2,045.6	2,963.2	2,582.5
REDEMPTIONS								
Total financial mutual funds	100,188.5	135,569.6	99,492.3	21,831.0	25,138.6	33,379.7	33,594.6	22,689.0
Fixed-income	52,205.8	72,141.1	45,549.5	8,493.1	12,632.0	17,191.8	15,630.1	10,392.2
Mixed fixed-income	5,963.7	15,273.7	14,242.9	3,617.0	3,333.5	5,143.7	5,294.9	3,069.6
Mixed equity	2,423.5	5,617.2	7,280.8	3,119.7	1,210.3	1,283.3	1,357.6	859.1
Euro equity	4,517.1	6,251.0	4,259.2	755.8	911.1	1,174.4	1,317.8	774.7
Foreign equity	5,311.4	7,175.7	6,821.0	1,398.9	1,853.3	1,785.1	2,810.3	1,251.2
Guaranteed fixed-income	11,301.4	7,369.8	5,208.0	1,273.9	881.2	1,314.0	1,008.8	1,023.2
Guaranteed equity	4,594.1	4,593.0	2,464.1	619.5	560.0	644.1	815.3	688.7
Global funds	1,570.6	3,830.8	5,334.6	1,240.5	1,269.8	1,723.8	2,471.4	1,970.9
Passive management	10,110.4	9,614.7	4,405.7	664.2	1,530.9	2,070.9	1,719.0	1,225.7
Absolute return	2,190.5	3,551.6	3,906.8	648.4	956.5	1,048.6	1,169.4	1,433.6

1 Estimated data.

2 From July 2015 on, side-pocket sub-funds data is only included in aggregate figures, but it is not included in any category.

**Financial mutual funds asset change by category:
Net subscriptions/redemptions and return on assets¹**

TABLE 3.9

Million euro	2014	2015	2016	2016		2017		
				III	IV	I	II	III
NET SUBSCRIPTIONS/REDEMPTIONS								
Total financial mutual funds	35,794.5	22,763.6	13,823.2	5,995.8	6,328.7	6,271.8	5,967.1	3,443.9
Fixed-income	13,821.0	-4,816.1	8,243.5	2,456.3	1,307.1	-2,130.1	-892.2	-880.7
Mixed fixed-income	15,689.2	20,903.0	-4,750.8	-1,165.1	198.8	1,167.0	305.8	731.0
Mixed equity	6,842.3	8,227.3	-5,194.5	-2,261.0	338.7	1,515.0	1,706.0	761.2
Euro equity	-338.3	467.2	-538.0	-176.7	306.9	447.5	916.0	691.1
Foreign equity	2,715.6	4,110.2	-32.5	246.2	518.5	1,965.5	428.4	1,005.7
Guaranteed fixed-income	-11,761.5	-8,093.5	-3,699.6	-813.1	-333.0	-956.6	-869.7	-1,047.6
Guaranteed equity	-651.7	-2,396.4	5,465.9	655.6	1,465.3	886.2	-348.3	-349.3
Global funds	2,110.3	5,787.9	7,801.3	3,574.9	417.4	3,361.5	4,306.1	2,109.0
Passive management	5,632.0	-6,274.9	5,603.4	2,981.4	1,612.9	-1,181.4	-1,215.1	-738.1
Absolute return	1,735.6	4,802.6	943.5	497.3	496.0	1,197.3	1,630.1	1,161.6
RETURN ON ASSETS								
Total financial mutual funds	6,260.3	680.1	1,909.9	2,834.7	2,416.2	3,150.8	336.0	1,449.2
Fixed-income	1,451.7	69.3	399.3	236.5	-81.8	-57.3	-21.8	53.0
Mixed fixed-income	487.2	-425.2	25.1	268.2	222.4	236.4	4.1	160.7
Mixed equity	415.5	-294.8	2.2	267.2	370.6	333.9	-34.0	162.0
Euro equity	107.0	224.2	110.8	562.1	563.2	761.1	206.0	65.7
Foreign equity	701.7	766.6	568.4	603.9	886.0	1,042.9	-121.0	445.4
Guaranteed fixed-income	697.3	52.1	3.9	24.7	-53.2	-28.8	33.3	17.8
Guaranteed equity	344.5	166.6	43.1	131.7	-54.3	57.0	112.7	75.7
Global funds	248.0	9.3	432.1	302.5	431.6	456.7	3.7	286.1
Passive management	1,704.8	185.5	281.5	365.2	116.6	286.6	114.9	115.7
Absolute return	102.7	-72.7	43.7	72.6	15.2	62.2	37.9	67.1

¹ From July 2015 on, side-pocket sub-funds data is only included in aggregate figures, but it is not included in any category.

Financial mutual funds return on assets. Detail by category^{1,2}

TABLE 3.10

% of daily average total net assets	2014	2015	2016	2016		2017		
				III	IV	I	II	III
MANAGEMENT YIELDS								
Total financial mutual funds	4.60	1.41	1.91	1.54	1.29	1.57	0.39	0.82
Fixed-income	3.12	0.85	1.24	0.50	0.05	0.08	0.13	0.23
Mixed fixed-income	4.43	0.14	1.26	0.98	0.85	0.87	0.30	0.66
Mixed equity	5.84	-0.12	1.45	2.07	2.71	2.32	0.17	1.15
Euro equity	3.36	4.41	3.38	7.81	7.48	8.92	2.43	1.04
Foreign equity	8.02	6.80	5.55	4.27	5.87	6.00	-0.10	2.54
Guaranteed fixed-income	3.78	1.25	0.79	0.45	-0.46	-0.22	0.62	0.43
Guaranteed equity	4.09	2.75	1.09	1.17	-0.22	0.52	0.86	0.64
Global funds	5.73	1.25	3.95	2.08	2.43	2.36	0.31	1.23
Passive management	8.22	1.65	2.11	1.92	0.66	1.41	0.68	0.70
Absolute return	2.99	0.29	1.41	0.89	0.38	0.74	0.50	0.66
EXPENSES. MANAGEMENT FEE								
Total financial mutual funds	0.98	1.00	0.95	0.25	0.23	0.23	0.23	0.23
Fixed-income	0.70	0.66	0.58	0.15	0.14	0.13	0.14	0.14
Mixed fixed-income	1.19	1.15	1.12	0.28	0.27	0.27	0.26	0.26
Mixed equity	1.41	1.41	1.40	0.35	0.36	0.35	0.33	0.34
Euro equity	1.78	1.76	1.75	0.44	0.44	0.45	0.43	0.42
Foreign equity	1.77	1.71	1.71	0.43	0.45	0.44	0.41	0.42
Guaranteed fixed-income	0.88	0.84	0.68	0.16	0.15	0.13	0.13	0.12
Guaranteed equity	1.20	1.05	0.70	0.17	0.16	0.15	0.15	0.14
Global funds	1.19	1.06	1.26	0.44	0.28	0.28	0.26	0.26
Passive management	0.64	0.64	0.56	0.13	0.13	0.13	0.13	0.13
Absolute return	1.07	0.99	0.96	0.25	0.24	0.24	0.22	0.22
EXPENSES. DEPOSITORY FEE								
Total financial mutual funds	0.08	0.09	0.08	0.02	0.02	0.02	0.02	0.02
Fixed-income	0.08	0.08	0.07	0.02	0.02	0.02	0.02	0.02
Mixed fixed-income	0.09	0.09	0.09	0.02	0.02	0.02	0.02	0.02
Mixed equity	0.11	0.11	0.11	0.03	0.03	0.03	0.03	0.03
Euro equity	0.12	0.12	0.12	0.03	0.03	0.03	0.03	0.03
Foreign equity	0.11	0.12	0.12	0.03	0.03	0.03	0.03	0.03
Guaranteed fixed-income	0.08	0.06	0.06	0.02	0.02	0.01	0.01	0.01
Guaranteed equity	0.08	0.08	0.06	0.01	0.01	0.01	0.01	0.01
Global funds	0.09	0.08	0.10	0.03	0.02	0.02	0.02	0.02
Passive management	0.07	0.07	0.06	0.01	0.01	0.01	0.01	0.01
Absolute return	0.08	0.08	0.08	0.02	0.02	0.02	0.02	0.02

1 From July 2015 on, side-pocket sub-funds data is only included in aggregate figures, but it is not included in any category.

2 Annual data revised from 2014.

Mutual funds quarterly returns. Detail by category¹

TABLE 3.11

In %	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ²
Total financial mutual funds	3.67	0.89	0.98	1.05	1.35	0.16	0.56	0.75
Fixed-income	2.41	0.10	0.52	-0.21	-0.07	-0.03	0.05	0.17
Mixed fixed-income	3.67	0.16	0.27	0.56	0.58	0.02	0.38	0.55
Mixed equity	4.70	0.15	1.19	2.35	1.95	-0.12	0.80	1.05
Euro equity	2.09	3.44	2.61	7.06	8.57	2.06	0.55	1.74
Foreign equity	6.61	7.84	4.15	5.46	5.67	-0.46	2.09	1.96
Guaranteed fixed-income	2.54	0.27	-0.03	-0.58	-0.35	0.48	0.29	0.45
Guaranteed equity	2.64	1.07	0.19	-0.27	0.41	0.68	0.48	0.69
Global funds	4.63	2.45	1.99	2.13	2.08	0.07	0.94	1.15
Passive management	7.74	0.53	1.16	0.71	1.30	0.52	0.50	0.68
Absolute return	1.98	0.12	0.38	0.12	0.50	0.27	0.43	0.48

1 From July 2015 on, side-pocket sub-funds data is only included in aggregate figures, but it is not included in any category.

2 Available data: October 2017.

Hedge funds and funds of hedge funds

TABLE 3.12

	2014	2015	2016	2016		2017		
				III	IV	I	II	III ¹
HEDGE FUNDS								
Investors/shareholders	2,819	3,089	2,930	2,916	2,930	3,080	3,308	3,420
Total net assets (million euro)	1,369.5	1,764.8	1,889.2	1,793.0	1,889.2	1,972.0	2,140.0	2,152.7
Subscriptions (million euro)	574.6	596.6	425.5	87.4	170.4	163.0	197.5	77.9
Redemptions (million euro)	293.8	260.5	376.6	43.3	126.8	161.2	255.1	63.1
Net subscriptions/redemptions (million euro)	280.8	336.1	48.9	44.0	43.6	1.8	-57.6	14.8
Return on assets (million euro)	52.0	56.3	75.5	58.8	52.5	81.0	22.8	-2.1
Returns (%)	5.30	4.83	4.32	3.62	2.51	4.08	1.74	-0.22
Management yields (%) ²	7.39	6.17	4.68	4.25	3.68	4.95	1.74	0.03
Management fee (%) ²	2.21	2.34	2.25	0.61	0.60	0.99	0.62	0.07
Financial expenses (%) ²	0.32	0.51	0.10	0.00	0.00	0.00	0.00	0.00
FUNDS OF HEDGE FUNDS								
Investors/shareholders	2,734	1,265	1,237	1,244	1,237	1,231	2,393	3,396
Total net assets (million euro)	345.4	319.8	293.7	286.7	293.7	293.2	327.0	451.6
Subscriptions (million euro)	7.1	8.3	0.0	0.0	0.0	0.3	48.7	-
Redemptions (million euro)	40.8	54.9	28.1	5.4	1.1	1.3	6.5	-
Net subscriptions/redemptions (million euro)	-33.7	-46.6	-28.1	-5.4	-1.1	-0.9	42.2	-
Return on assets (million euro)	28.9	21.0	2.1	1.4	8.1	0.5	-8.4	-
Returns (%)	8.48	6.16	0.90	0.48	2.83	0.16	-2.04	-0.15
Management yields (%) ³	9.72	6.61	-0.95	0.71	3.03	0.39	-1.97	-
Management fee (%) ³	1.07	0.48	0.82	-0.21	-0.21	0.21	0.42	-
Depository fee (%) ³	0.08	0.04	0.06	-0.01	-0.01	0.01	0.01	-

1 Available data: August 2017.

2 % of monthly average total net assets.

3 % of daily average total net assets.

Management companies. Number of portfolios and assets under management¹

TABLE 3.13

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ²
NUMBER OF PORTFOLIOS³								
Mutual funds	1,949	1,760	1,748	1,748	1,741	1,721	1,712	1,702
Investment companies	3,164	3,333	3,231	3,231	3,045	2,981	2,898	2,883
Funds of hedge funds	18	11	7	7	8	9	9	-
Hedge funds	35	37	41	41	41	45	45	-
Real estate mutual funds	4	3	3	3	3	3	3	3
Real estate investment companies	7	6	6	6	7	7	7	7
ASSETS UNDER MANAGEMENT (million euro)								
Mutual funds	198,718.8	222,144.6	237,862.2	237,862.2	247,279.3	253,581.1	258,466.2	261,642.9
Investment companies	30,613.8	32,879.4	31,783.2	31,783.2	32,259.7	31,469.0	31,339.5	31,613.5
Funds of hedge funds ⁴	345.4	319.8	293.7	293.7	295.4	327.0	451.6	-
Hedge funds ⁴	1,328.0	1,764.8	1,889.2	1,889.2	1,912.9	2,140.1	2,152.7	-
Real estate mutual funds	419.8	391.0	370.1	370.1	369.7	360.5	360.3	360.6
Real estate investment companies	806.5	702.1	707.3	707.3	714.3	722.3	728.6	728.6

1 Until March 2016, it is considered as "assets under management" all the assets of the investment companies which are co-managed by management companies and other different companies.

2 Available data: October 2017.

3 Data source: Collective Investment Schemes Registers.

4 Available data for II Quarter 2017: May 2017.

Foreign Collective Investment Schemes marketed in Spain¹

TABLE 3.14

	2014	2015	2016	2016		2017		
				III	IV	I	II	III
INVESTMENT VOLUME² (million euro)								
Total	78,904.3	108,091.6	114,990.2	112,523.8	114,990.2	127,534.6	137,341.6	141,828.0
Mutual funds	11,166.0	15,305.1	21,337.5	19,495.4	21,337.5	25,306.4	26,864.2	27,108.5
Investment companies	67,738.3	92,786.5	93,652.8	93,028.4	93,652.8	102,228.1	110,477.4	114,719.5
INVESTORS/SHAREHOLDERS								
Total	1,317,674	1,643,776	1,748,604	1,725,099	1,748,604	1,984,474	2,134,143	2,196,847
Mutual funds	230,104	298,733	372,872	354,032	372,872	431,295	448,554	460,374
Investment companies	1,087,570	1,345,043	1,375,732	1,371,067	1,375,732	1,553,179	1,685,589	1,736,473
NUMBER OF SCHEMES								
Total	805	880	941	927	941	959	957	998
Mutual funds	405	425	441	437	441	440	430	452
Investment companies	400	455	500	490	500	519	527	546
COUNTRY								
Luxembourg	333	362	391	385	391	405	411	424
France	264	282	286	283	286	284	270	289
Ireland	117	143	160	156	160	165	167	173
Germany	33	32	32	32	32	32	33	35
UK	26	31	32	32	32	32	32	33
The Netherlands	2	2	2	2	2	2	2	2
Austria	25	23	23	22	23	23	23	23
Belgium	4	4	4	4	4	5	5	5
Denmark	1	1	1	1	1	1	1	1
Finland	0	0	4	4	4	4	7	7
Liechtenstein	0	0	6	6	6	6	6	6

1 Exchange traded funds (ETFs) data is not included.

2 Investment volume: participations or shares owned by the investors/shareholders at the end of the period valued at that moment.

Real estate investment schemes¹

TABLE 3.15

	2014	2015	2016	2016		2017		
				IV	I	II	III	IV ²
REAL ESTATE MUTUAL FUNDS								
Number	3	3	3	3	3	3	3	3
Investors	4,021	3,918	3,927	3,927	3,946	3,960	3,963	1,319
Asset (million euro)	419.8	391.0	370.1	370.1	369.7	360.5	360.3	360.6
Return on assets (%)	-5.87	-6.66	-5.35	-1.81	-0.10	-2.37	-0.08	0.10
REAL ESTATE INVESTMENT COMPANIES								
Number	7	6	6	6	7	7	7	7
Shareholders	845	583	674	674	517	490	487	480
Asset (million euro)	806.5	702.1	707.3	707.3	714.3	722.3	728.6	728.6

1 Real estate investment schemes which have sent reports to the CNMV, excluding those in process of dissolution or liquidation.

2 Available data: October 2017.

