

28 February 2018

## BME POSTS A NET PROFIT OF €153.3 MILLION IN 2017

- Revenue for the full year stood at €325 million (-0.6%), while Operating Expenses finished the year standing at €110 million
- Improvement in efficiency and financial management ratios, which remain 16 and 10 points above the average of comparables
- The coverage ratio of the cost base with revenues not linked to volumes ended 2017 with a value, for the whole year, of 129%, an increase of 10 points from the end of 2016
- The annual earnings per share was €1.84
- The investment flows channeled through the Exchange in the last year totalled €40 billion, up 39% yoy

BME reported a net profit of €153.3 million in 2017, a decrease of 4.3% year-on-year. In the last quarter of 2017, the net profit totalled €37 million, displaying a fall of 5.6% compared to 2016.

Revenue for the full year stood at €325 million, down 0.6% on 2016. Revenue in the last quarter of the year stood at €81.6 million, representing a fall of 2.8% compared to the previous year. Operating Expenses finished the year standing at €110 million, an increase of 2.2% on the operating costs for 2016, and up 1.2% excluding the impact of the integration of the Infobolsa Group. Operating costs in the fourth quarter were flat compared to the same quarter year-on-year, totalling €28.5 million.

*“The results posted by BME remained stable in 2017 in a complex market and regulatory environment, which proves it is a solid and sustainable model”,* explained Javier Hernani, CEO of BME.

The annual earnings per share were €1.84, of which €0.45 corresponded to the final quarter of the year.

The ratios of financial management follow-up, the efficiency indicator of operating costs to net income, and return on equity (ROE), of return on equity, have achieved values of 34.4% and 36.1% for 2017, respectively. The difference with respect to the average of comparables remains above 16 points for the ROE, and 10 points in terms of efficiency.

The coverage ratio of the cost base with revenues not linked to volumes ended the year with a value, for the whole year, of 129% of the BME cost base covered with this type of income, an increase of 10 points from the end of 2016.

### EFFICIENCY AND ROE RATIOS

	2017	yoy change
Coverage ratio *	129%	+10.0 b.p.
Efficiency ratio	34.4%	+1.2 b.p.
ROE	36.1%	-1.4 b.p.

(\*) Coverage ratio of the cost base with revenues not linked to volumes

## **Highlights by business units**

### **EQUITIES**

Investment flows for the year as a whole channelled through the Exchange totalled €40 billion, representing an increase of 39% year-on-year. The flows channelled through the Exchange during the fourth quarter of the year were 29.1% lower year-on-year, standing at €3.5 billion. Of particular note were the flows corresponding to new shares amounting to €965 million, compared to the €117 million for the same period the previous year.

Total flows channelled in new shares amounted to €8 billion in 2017, up 141.1% on the previous year, thus making the Spanish exchange one of the leading European markets with regard the listing of new companies.

### **FIXED INCOME**

In the primary Fixed Income market, a total of €126.4 billion was admitted to trading in the final quarter of 2017, up 56.9% on the same quarter of the previous year. Of this figure, €86.2 billion correspond to Public Debt issues, an increase of 79.3% compared to 2016, and €39.2 billion to Private Fixed Income, representing an increase of 23.6%.

The year 2017 was a positive one for MARF, which has continued to grow significantly. During the year, the total admitted to trading was €4 billion, 74.1% more than in 2016, while fourth quarter increase was 27.8%.

### **DERIVATIVES**

Fourth quarter trading was positive for the majority of the derivative products traded at BME. IBEX35 ® futures and options were the most significant products on the index, as well as the MinilBEX® future, displaying increases compared to the previous quarter and year-on-year. Trading in equity futures has also performed equally positively. The total volume of financial derivative contracts traded during the fourth quarter of 2017 fell 8.5% compared to the same period year-on-year, caused mainly by the 34.2% fall in equity options

### **CLEARING**

In the Equities segment, 25.4 million transactions were processed during the fourth quarter in 2017, 3% less than in the same period of the previous year, with an equity turnover cleared of €314 billion, an increase of 13%. In the total for the year, 102.1 million transactions have been processed, an increase of 45.4% compared to 2016, although in 2016 activity began in the second quarter.

### **SETTLEMENT & REGISTRATION**

The accumulated total number of settled operations for the year reached 10.8 million operations, a fall of 53.6% compared to those settled the previous year. 2.3

million operations were settled during the last quarter of 2017, representing a decrease of 19.7% compared to the last quarter of the previous year.

## **MARKET DATA & VAS**

With regard to the primary information services, at the close of the fourth quarter the total number of clients receiving the flow of primary information increased 0.5% compared to the same quarter the previous year, whereas the direct connections to the BME servers have fallen 1.9%. The quarterly average of users subscribed to the various levels of information fell by 4.8% in terms of the total number of paid-up users, compared to the previous year.

## **NET REVENUE BY BUSINESS UNIT** (million euros)

	<b>2017</b>	<b>%</b>	<b>4Q17</b>	<b>%</b>
<b>Equities</b>	144.5	-0.7%	34.9	-7.6%
<b>Fixed Income</b>	8.7	-6.0%	2.2	-5.9%
<b>Derivatives</b>	10.8	-0.3%	3.4	27.9%
<b>Clearing</b>	27.0	10.4%	6.6	-10.9%
<b>Settlement</b>	63.7	-6.9%	14.6	-9.7%
<b>Market Data &amp; VAS</b>	62.7	6.3%	17.2	13.8%

## **EBITDA BY BUSINESS UNIT** (million euros)

	<b>2017</b>	<b>%</b>	<b>4Q17</b>	<b>%</b>
<b>Equities</b>	102.6	-0.8%	24.0	-9.8%
<b>Fixed Income</b>	4.0	-7.5%	1.0	-8.1%
<b>Derivatives</b>	4.4	-14.3%	0.9	-22.8%
<b>Clearing</b>	17.1	15.4%	4.0	-15.3%
<b>Settlement</b>	47.5	-7.7%	10.3	-8.0%
<b>Market Data &amp; VAS</b>	39.6	-1.0%	10.8	8.4%

Further information on the results posted by BME on:

<https://www.bolsasymercados.es/ing/Shareholders-Investors/Financial-information/Results/2017>

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