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BME POSTS A NET PROFIT OF €41 MILLION IN THE SECOND QUARTER, UP 4.2% FROM THE PREVIOUS ONE

- **Representing the third consecutive quarter of progress in financial results and 4.9% lower year-on-year**
- **Net profit for the first half amounts to €80.3 million, up 8.1% compared to the previous half and down 6.6% year-on-year**
- **Operating costs for the second quarter were 3.8% lower than in the preceding one and 1.2% lower year-on-year**
- **In the second quarter revenue rose to €83.6 million, up 1.6% compared to the preceding three months and down 2.9% year-on-year**
- **Cost base coverage with revenues not linked to volumes increased to 127%.**
- **In the first half the efficiency ratio (33.1%) and ROE (37.4%) beat the sector average by 8 and 20 points respectively**
- **Investment flows channelled through the Exchange at the end of the first half totalled €20.8 billion, 20.5% higher than that for 2016**

BME reported a net profit of €41 million for the second quarter of 2017, the third consecutive quarter of progress in the result, an increase of 4.2% on that of the previous quarter and 4.9% lower than that reached during the second quarter of 2016. Up until June, the accumulated net profit amounted to €80.3 million, an 8.1% increase on the previous half and down 6.6% year-on-year

During the second quarter, revenue rose to €83.6 million, a net revenue of €82.8 million after deducting variable direct cost of operations. In both cases this has been an improvement of 1.6% compared to that achieved in the previous quarter, and a decrease of 2.9% compared to the previous year. The net revenue for the semester, amounting to €164.3 million, is 1.6% down on the previous year.

The operating costs, amounting to €26.7 million, decreased 3.8% compared to the previous quarter and contracted 1.2% from the second quarter of 2016. Operating costs between January and June amounted €54.4 million, exceeding the operating costs for the same period in 2016 by 1.9%.

As a result of the trends followed by revenue and costs, EBITDA for the second quarter was 3.7% lower year-on-year, representing an accumulated decrease of 3.3% compared to 2016.

Cumulative profit per share in the first six months rose to €0.97, of which €0.49 corresponds to the second quarter.

Cost base coverage with revenues not linked to volumes ratio increased to 127%, which shows the continued effort made by the company to achieve further growth in its activities and services irrespective of the prevailing business cycle.

The financial management tracking ratios in terms of return on equity (ROE) and efficiency have evolved positively since the previous quarter. ROE moved from 35.5% to 36.5%, while efficiency went from 34% to 32.2%. Accumulated management ratios from January to June showed ROE and efficiency values of 37.4% and 33.1%, respectively. The difference with respect to its peers' average remains above 20 points for the return on equity (ROE), and of 8 points in terms of efficiency.

EQUITY

In the first half of 2017, the Equity unit obtained €76.1 million in net revenue, exceeding that obtained in the previous year by the 1.6%. So far this year there has been a better relative performance of the listing activity compared to that of trading. Up until June, net listing revenues increased by 7.1% compared to those obtained a year previously, whereas those for trading improved 0.6%, to stand at €12.3 million and €63.8 million respectively.

The unit's resulting EBITDA, after deducting operating costs, stood at €28.1 million for the second quarter of the year and an accumulated €55.5 million for the six-month period. These amounts meant an improvement on the previous year by 1.5% and 2.5%, respectively.

Investment flows channelled through the Stock Exchange ended the first half of the year with funds raised amounting to €20.8 billion, 20.5% higher than that of 2016, including new admissions and the admissions of already listed companies.

During the second quarter of 2017, trading in equities continued to show the gradual growth of the previous quarters and has recovered a positive behaviour in relation to the previous year. A total of €205.1 billion in turnover was traded, up 6.5% on the turnover traded the same period in 2016 and 28.2% up on the previous quarter.

FIXED INCOME

The volume admitted to trading on the Fixed-Income Market in the second quarter of 2017 stood at €83.1 billion, down 1.6% compared to the same period in 2016. Public Debt issues totalled €57.3 billion, up 9.5% year-on-year, whereas Private Fixed Income issues totalled €24.7 billion.

MARF closed the quarter with an issue volume of 1.2 billion euros, which is 106.7% more than the previous year. The cumulative half-yearly figure was €2.1 billion (+95.9%). The outstanding balance at 30 June was €2.3 billion, 58.7% more than the previous year.

The net revenue of the unit for the second quarter reached €2.2 million, representing a decrease of 17.6% compared to 2016. Both listing as well as trading have shown falls of 7.8% for trading and 28% for listing compared to the previous year.

DERIVATIVES

The total volume of contracts traded in Financial Derivatives in the second quarter of 2017 increased 2.8% compared to the same period of the previous year.

The revenue for the unit has decreased compared to the previous year as a result of the lower performance in the trading volumes of index derivatives compared to the

trading of equity derivatives, for which the margins are lower. Net revenues in the second quarter stood at €2.4 million, down 11.3% on the same period in 2016. Net revenues from January to June were €4.9 million, 14.2% lower year-on-year. EBITDA was also down by 10.6% for the quarter and 19.3% for the first half.

CLEARING

The clearing house operations managed by BME Clearing generated net revenues in the second quarter of the year of €7.1 million, 7.1% up on the same period of the previous year. This brought total net revenue from clearing up to June to €13.8 million, up 29.9% from the previous year.

Second quarter EBITDA rose by 14.9% year-on-year, up to €4.7 million, with cumulative EBITDA for the year to June reaching €9.1 million, some 54.9% higher than the 2016 figure.

SETTLEMENT & REGISTRATION

Net revenues generated by the Settlement and Registration unit amounted to €17 million in the second quarter of the year, a 3.5% fall year-on-year. Up until June, the cumulative net revenues increased to €32.8 million with a drop of 11.1% compared to those obtained a year before.

As a result of the change in operations, net revenues from settlement activities have dropped year-on-year, 14.2% for the quarter and 32.9% for the first half of the year.

MARKET DATA & VAS

The total net revenue in this unit amounted to €30.5 million and €15.2 million for the first half of the year and the second quarter, respectively. These amounts represented improvements on the 2016 figure by 3.2% and 0.1%, respectively.

The revenue corresponding to the Unit amounted to €5.8 million during the second quarter, bettering the results obtained in the previous year by 9.1%. Revenue from the business area for January to June stood at €11.1 million, an increase of 17.9% year on year. In the Market Data area, the total number of customers was up 3.8% compared to the second quarter of the previous year, reaching a new record high.

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