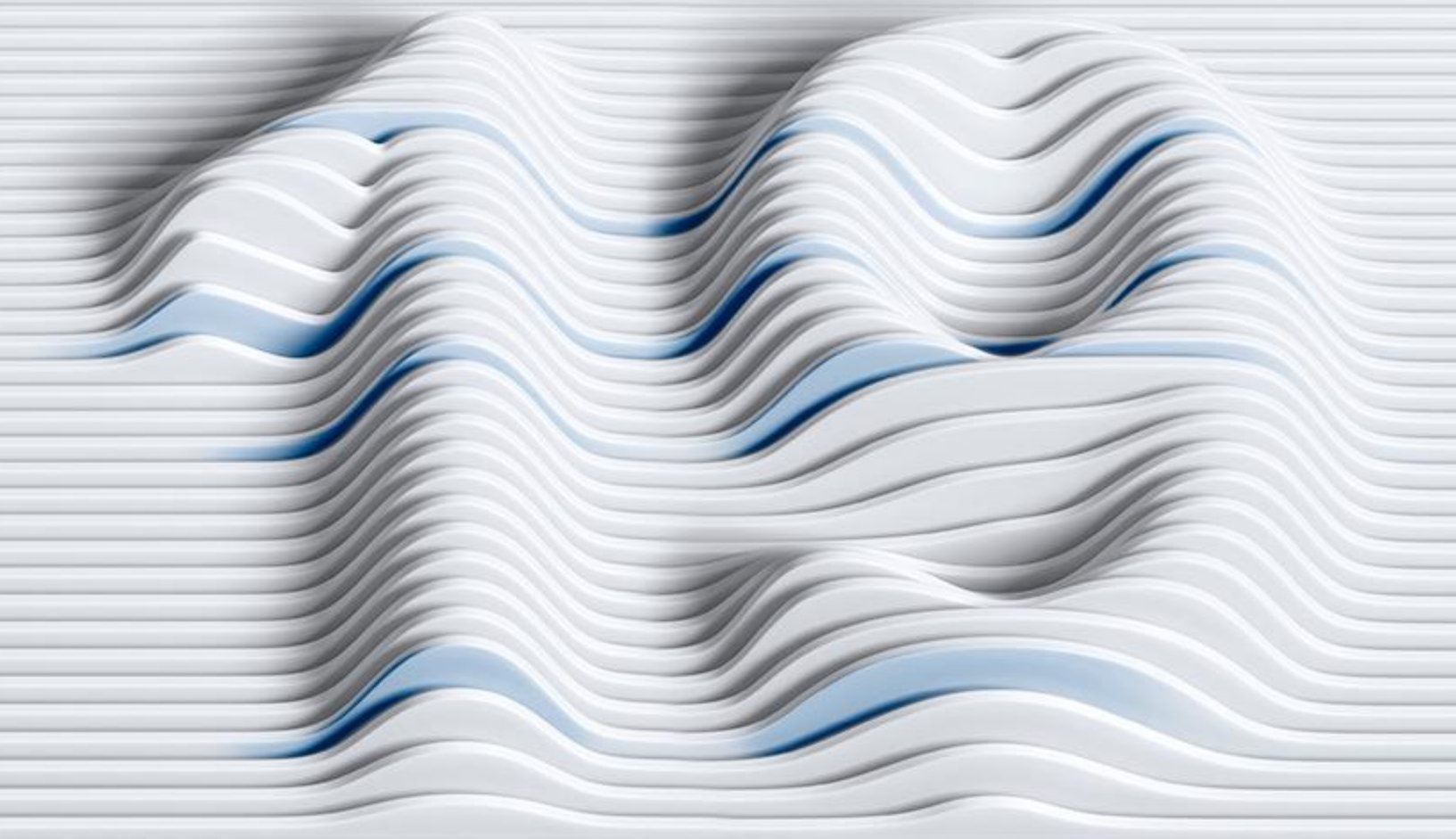

BUSINESS PERFORMANCE

Third quarter 2019



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Results

Business units

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Results

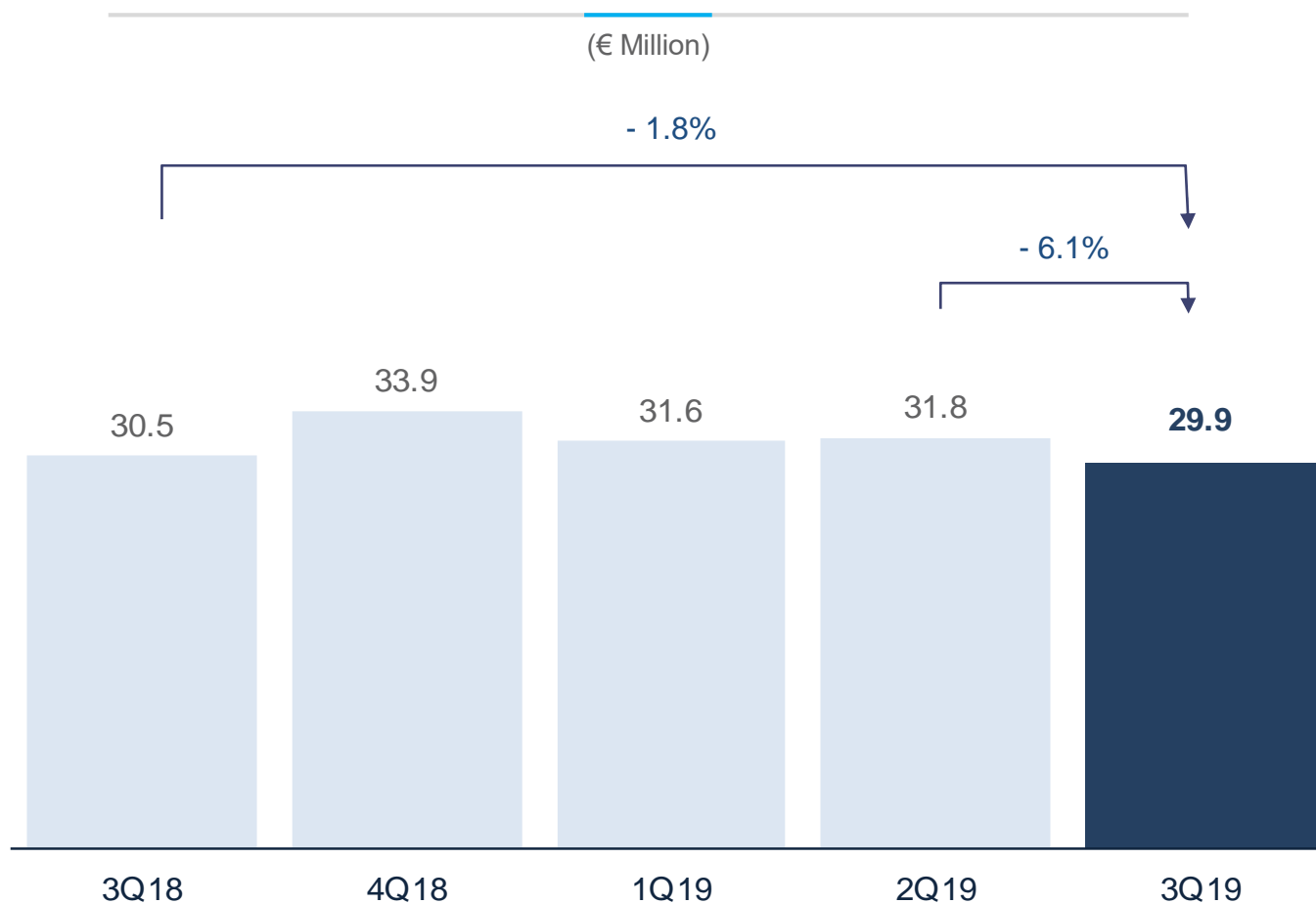
Business units

Financials

Business drivers

RESULTS

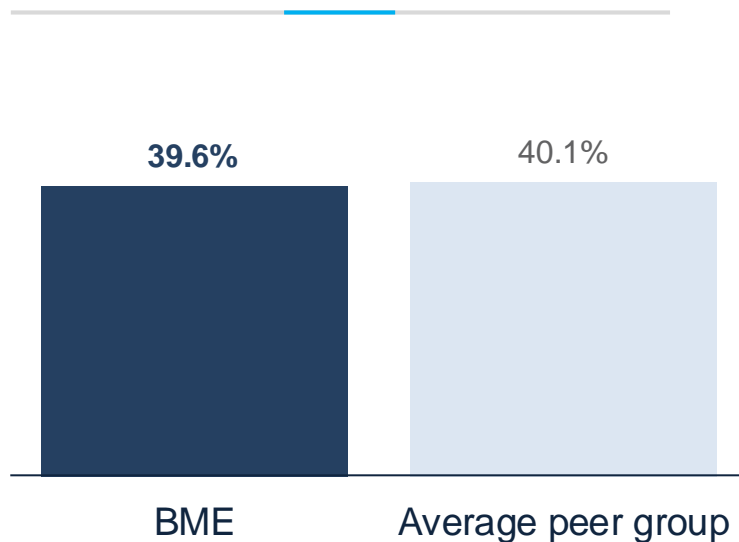
Net profit



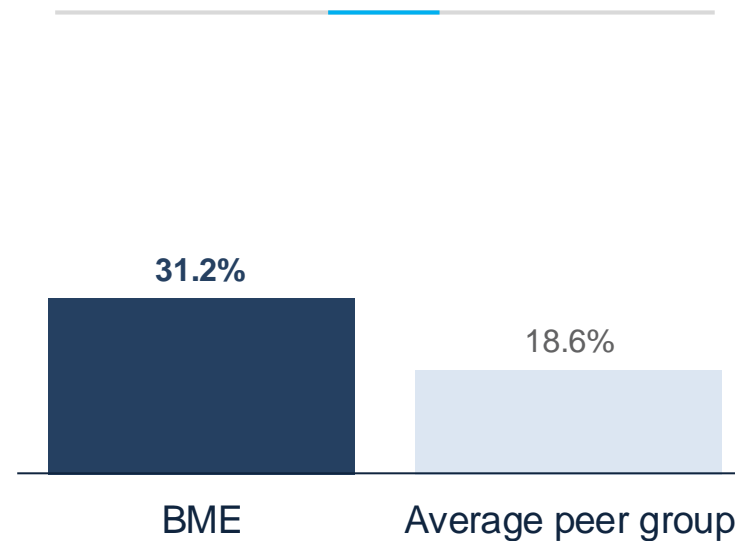
RESULTS

Key ratios vs. benchmark

Efficiency



ROE



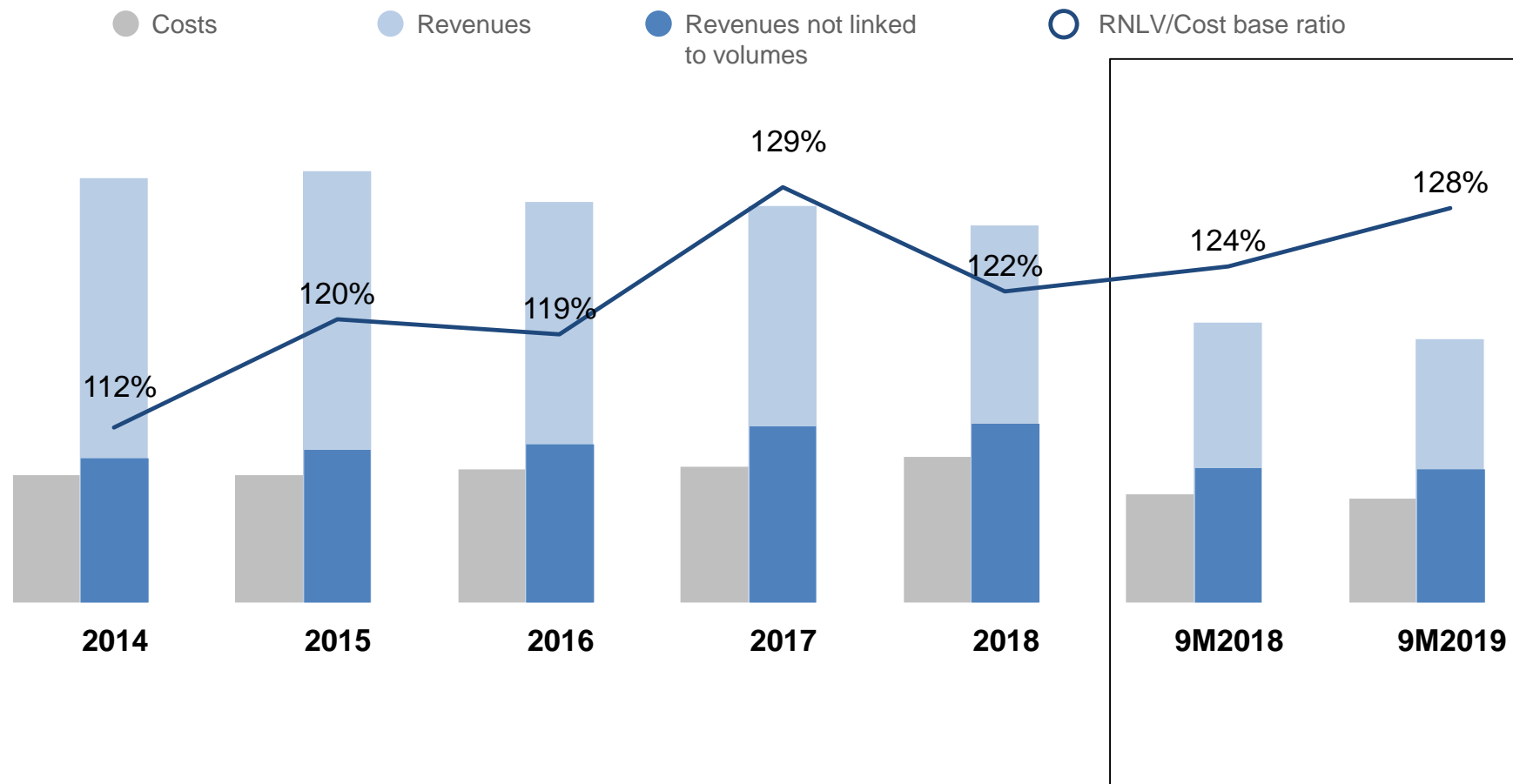
BME's data as of 30/09/2019

Average peer Group has been calculated using latest results published and do not take into account goodwill impairment charges



RESULTS

Solid operating leverage



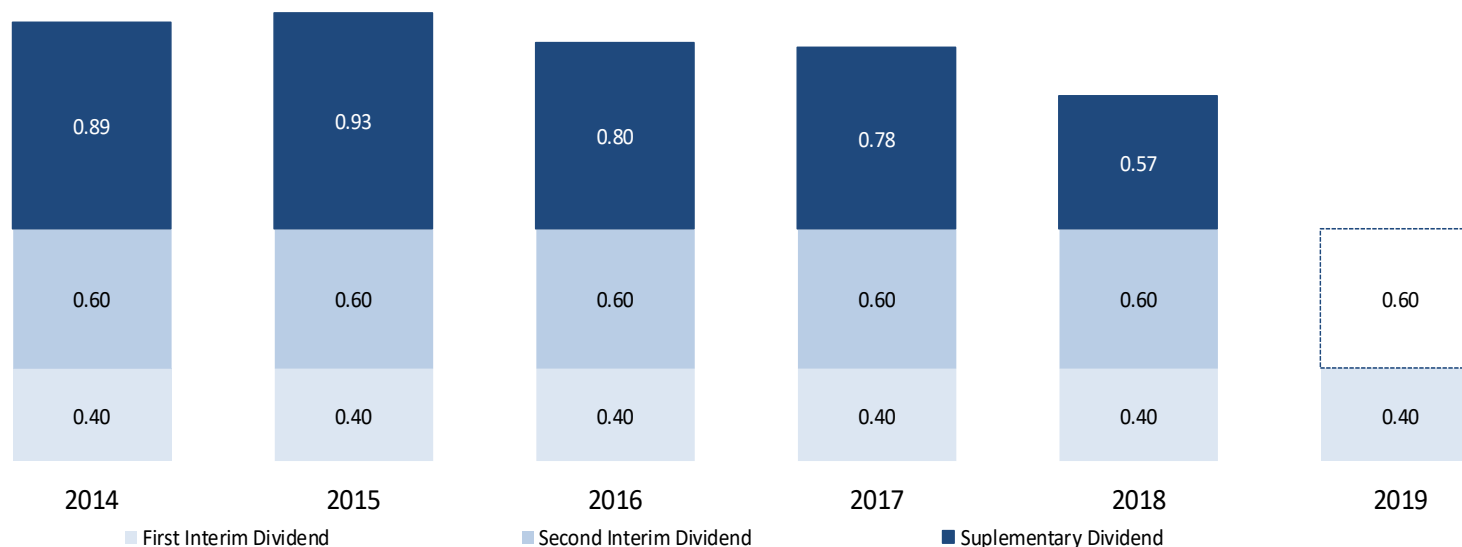
2018 data has been restated to include the impact of IFRS 15.



RESULTS

Dividends: Maximizing shareholders' returns

Payout ratio	96%	93%	93%	96%	96%
DPS (€/share)	1.89	1.93	1.80	1.78	1.57



Payout ratio
Interim dividend proposal: 0.60 €/share (30 December 2019)

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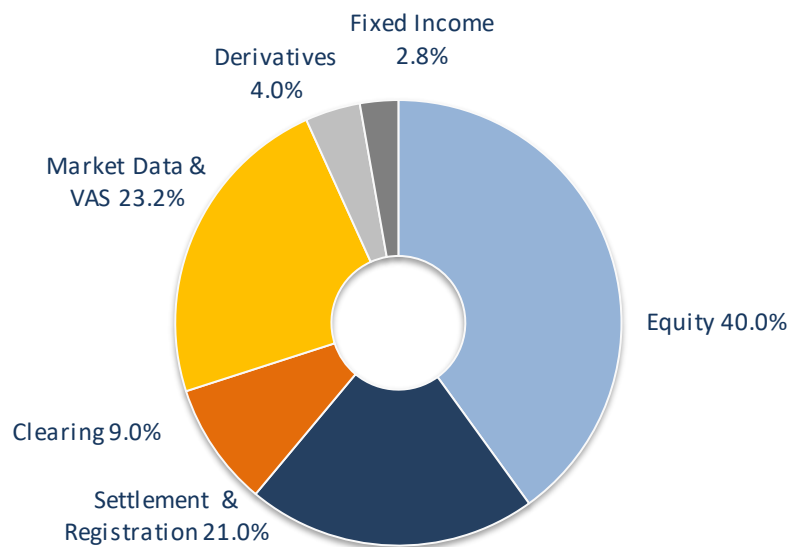


BUSINESS UNITS EVOLUTION

Business units

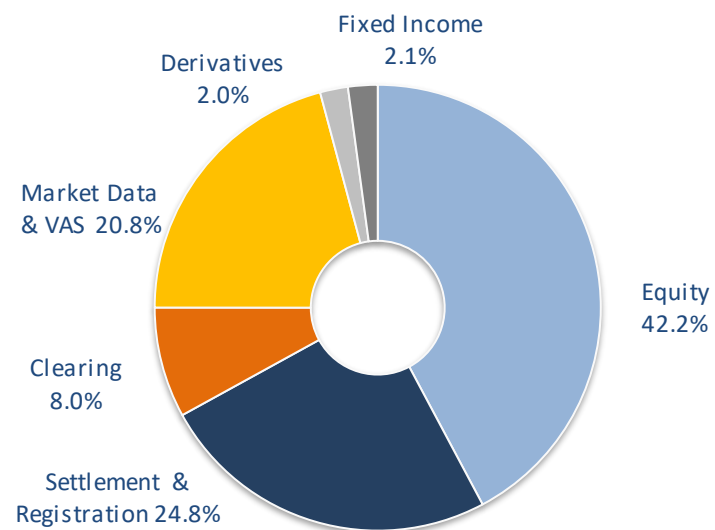
Consolidated net revenues

9M 2019 - %



EBITDA

9M 2019 - %



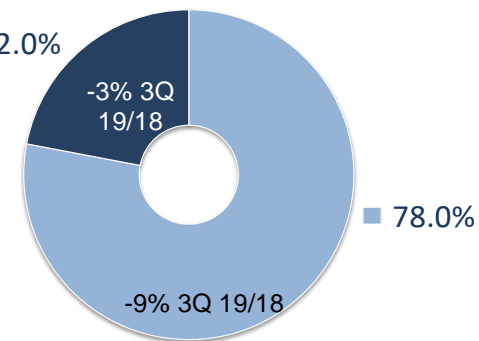


BUSINESS UNITS EVOLUTION

Equity Market

Thousand €	3Q 2019	3Q 2018	%	9M 2019	9M 2018	%
Net Revenue	27,344	29,709	-8.0%	84,264	98,029	-14.0%
Operating Costs	(9,540)	(10,022)	-4.8%	(28,133)	(30,178)	-6.8%
EBITDA	17,804	19,687	-9.6%	56,131	67,851	-17.3%

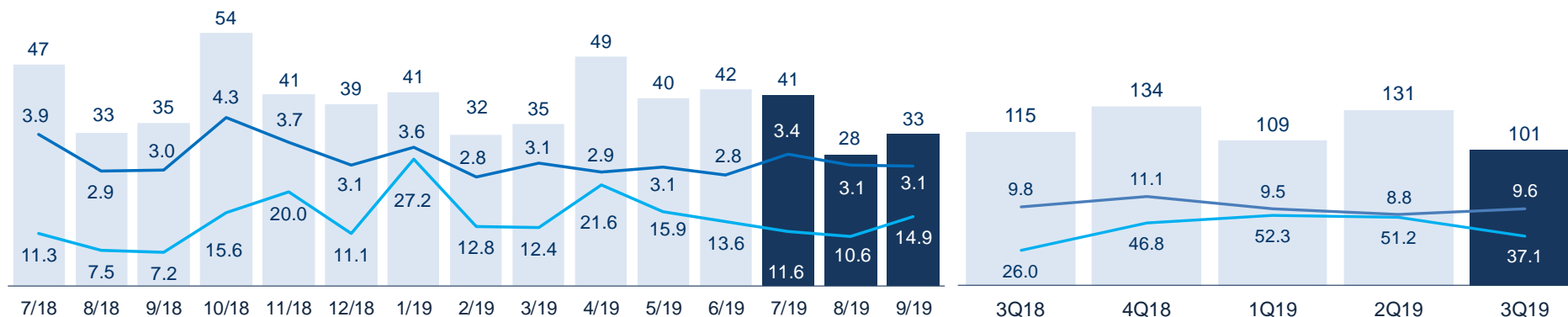
Net revenues



- 22.0% Listing and other services
- 78.0% Per trade and regarding characteristics of the orders

Equity (Turnover, number of trades and number of shares traded)

- Turnover (€ Billion)
- Shares (Billion)
- Trades (Million)

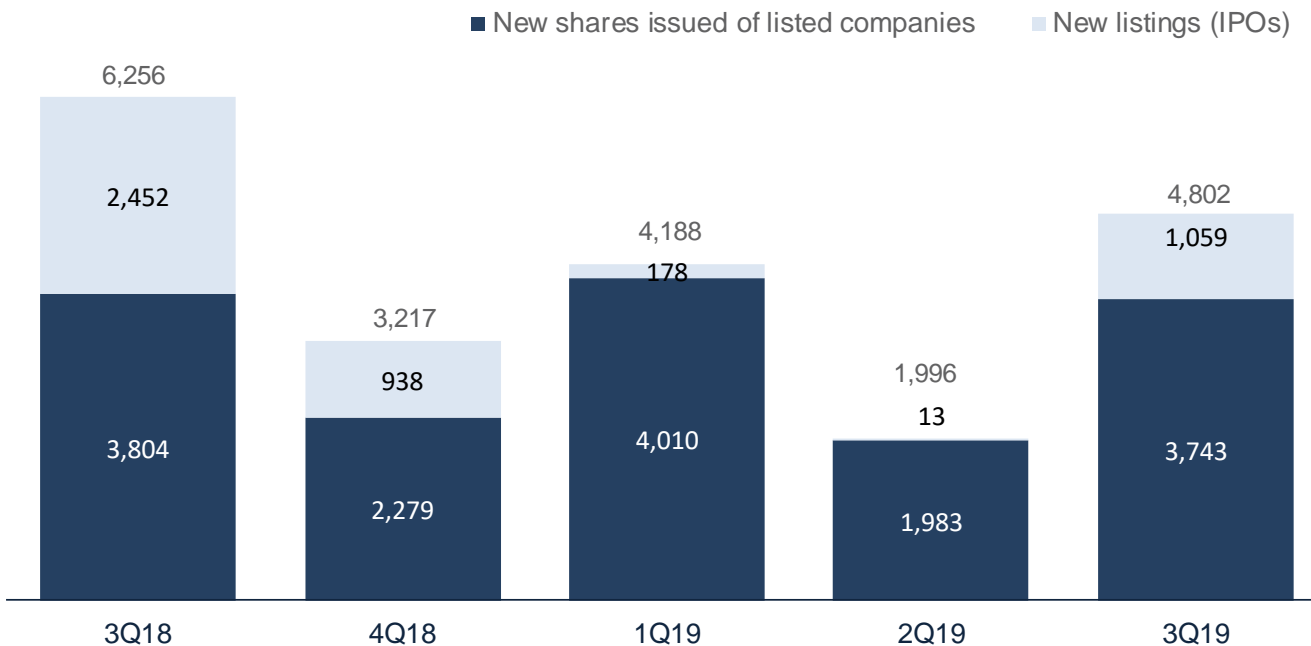


2018 data has been restated to include the impact of IFRS 15.
The sum of monthly data may not match quarterly data due to rounding differences.

BUSINESS UNITS EVOLUTION

Equity Market

Listing activity



- The new investment flows channelled to the Stock Exchange in the form of capital increases during the first nine months of 2019 totalled €9.7 billion, 14.6% up on the previous year. They correspond to 86 capital increases, an increase of 10%.
- 11 new REITs were incorporated into BME's markets in the third quarter, demonstrating the attractiveness of this vehicle for channelling investment towards the real estate sector. The total number of REITs admitted to BME markets now stands at 82 companies.

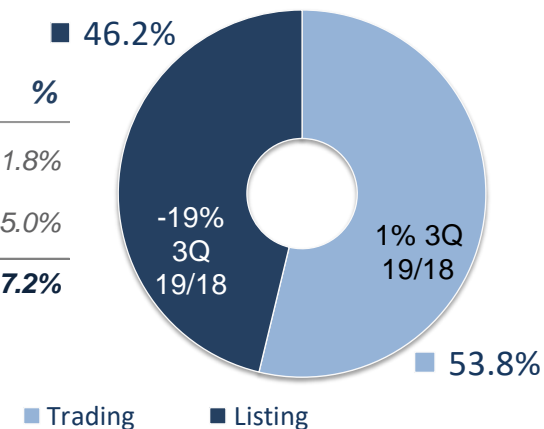
Source: FESE (Federation of European Stock Exchanges)

BUSINESS UNITS EVOLUTION

Fixed Income

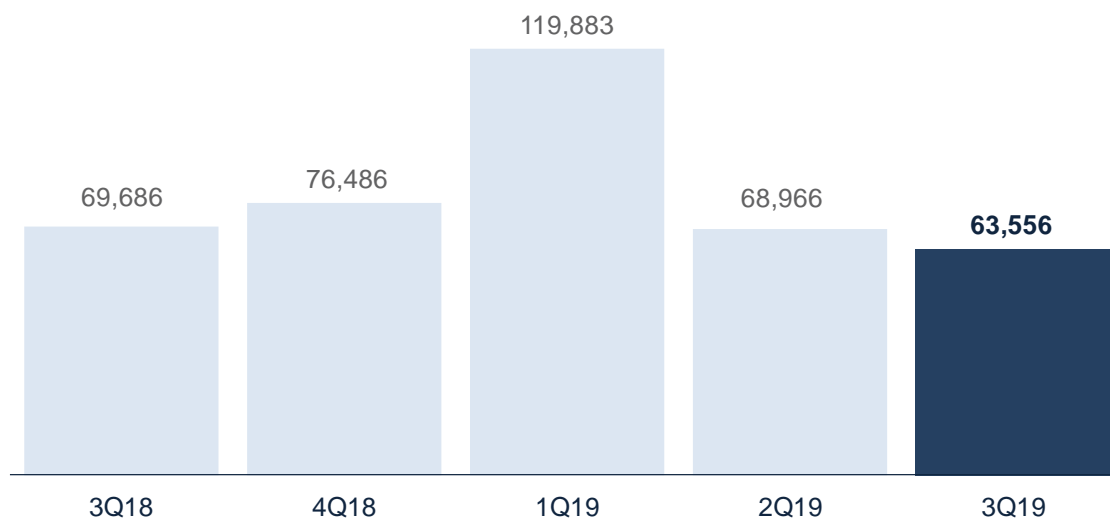
Thousand €	3Q 2019	3Q 2018	%	9M 2019	9M 2018	%
Net Revenue	1,925	2,122	-9.3%	5,836	5,945	-1.8%
Operating Costs	(994)	(1,154)	-13.9%	(2,992)	(3,519)	-15.0%
EBITDA	931	968	-3.8%	2,844	2,426	17.2%

Net revenues



AIAF. Volume admitted

(€ Million)



- Admissions to trading in private fixed income, grew 67.7% in Q3 to reach €18.3 billion and 108.6% in the Alternative Fixed Income Market (MARF) to reach €2.9 billion.
- Total volume traded in Government Debt and Private Fixed Income in Q3 was €83.6 billion, 99.0% higher year on year.
- Bond issues that meet the criteria of sustainability and the fight against climate change continue to increase at a good pace. In the first nine months of 2019 the total issued by Spanish companies was over €5 billion.

BUSINESS UNITS EVOLUTION

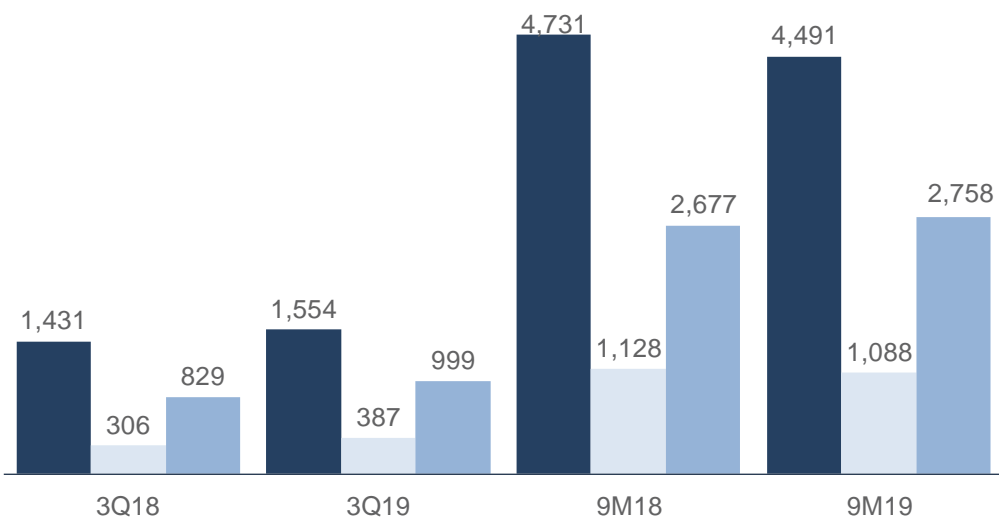
Derivatives

<i>Thousand €</i>	3Q 2019	3Q 2018	%	9M 2019	9M 2018	%
Net Revenue	2,826	2,588	9.2%	8,406	8,285	1.5%
Operating Costs	(2,002)	(1,918)	4.4%	(5,717)	(5,510)	3.8%
EBITDA	824	670	23.0%	2,689	2,775	-3.1%

Index derivatives contracts traded

(Thousand contracts)

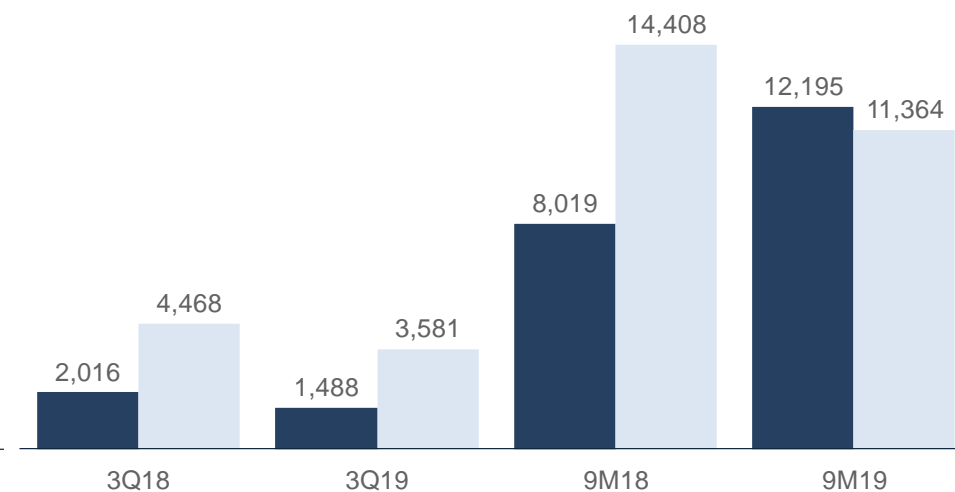
● Futures IBEX 35® ● Futures Mini and Micro IBEX® ● Options IBEX 35®



Stock derivatives contracts traded

(Thousand contracts)

● Stock Futures ● Stock Options



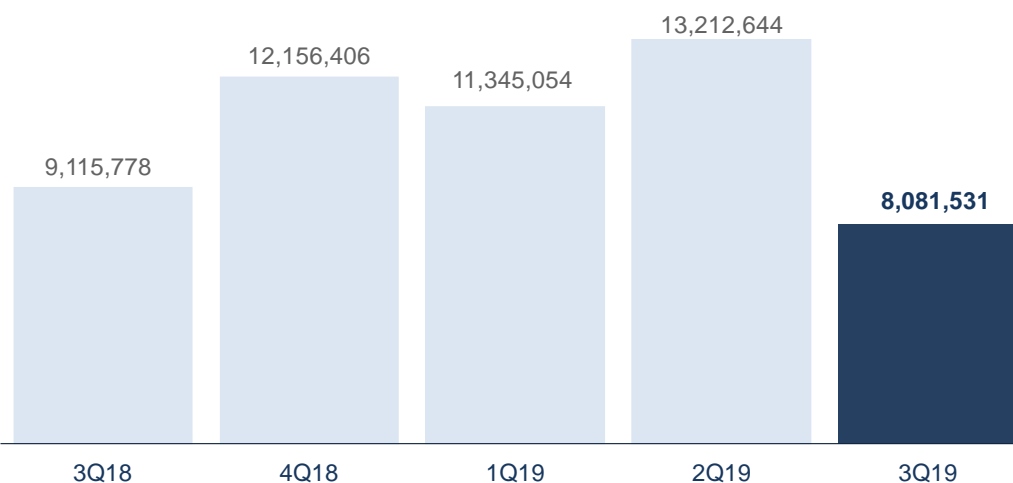
BUSINESS UNITS EVOLUTION

Clearing

<i>Thousand €</i>	3Q 2019	3Q 2018	%	9M 2019	9M 2018	%
Net Revenue	6,415	5,861	9.5%	18,908	19,613	-3.6%
Operating Costs	(2,832)	(2,552)	11.0%	(8,251)	(7,588)	8.7%
EBITDA	3,583	3,309	8.3%	10,657	12,025	-11.4%

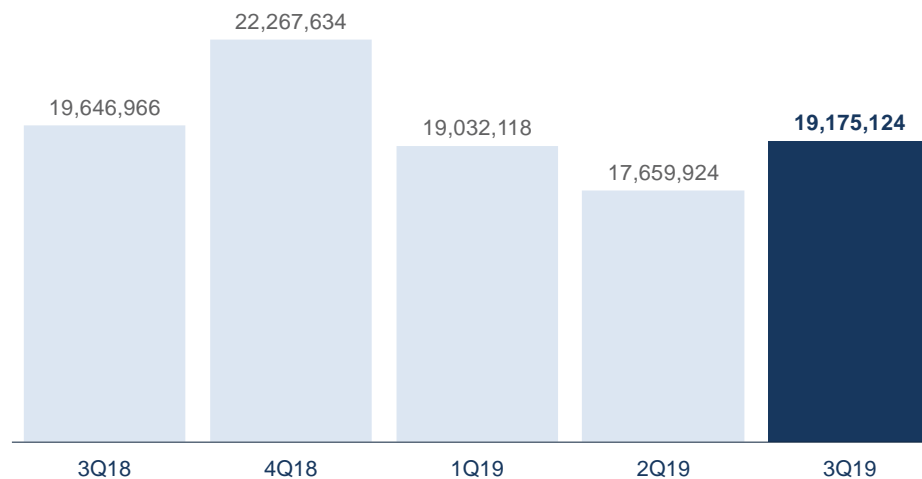
Financial Derivatives

(Number of contracts)



Number of equity transactions cleared

(Number of transactions)



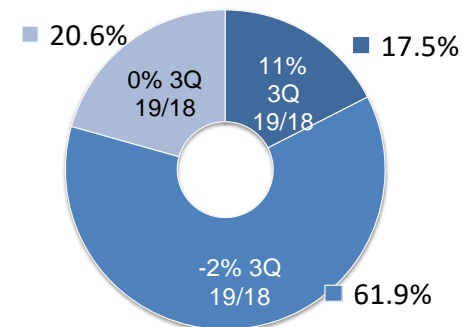


BUSINESS UNITS EVOLUTION

Settlement & Registration

Thousand €	3Q 2019	3Q 2018	%	9M 2019	9M 2018	%
Net Revenue	14,638	14,544	0.6%	44,212	44,492	-0.6%
Operating Costs	(3,997)	(3,785)	5.6%	(11,251)	(11,580)	-2.8%
EBITDA	10,641	10,759	-1.1%	32,961	32,912	0.1%

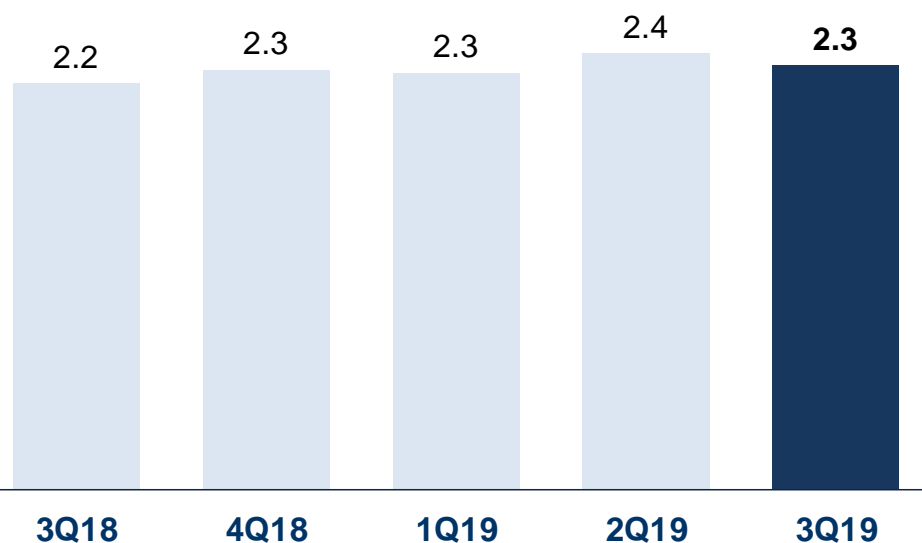
Net revenues



■ Settlement ■ Registration ■ Other services

Settlement: Number of trades settled

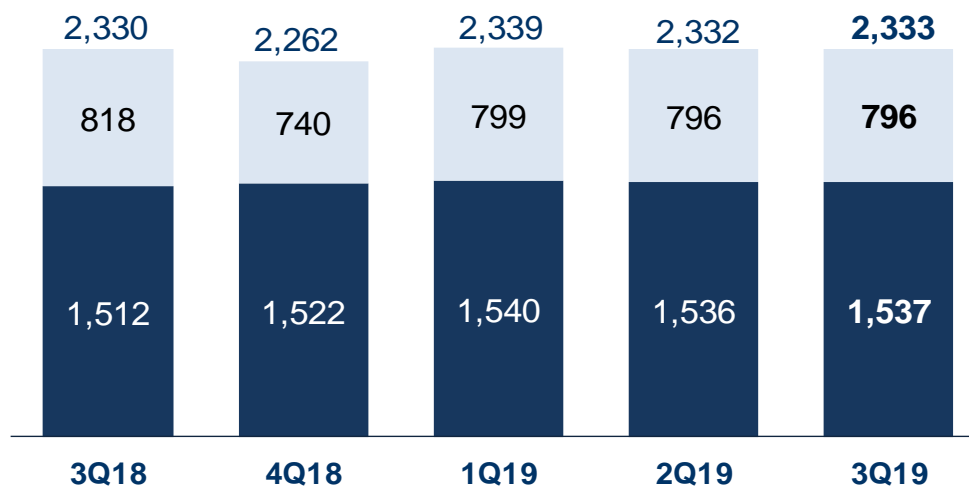
(Million of trades)



Securities under custody: Volume registered

(€ Billion)

● Par Value registered in FI ● Market value registered in Equity



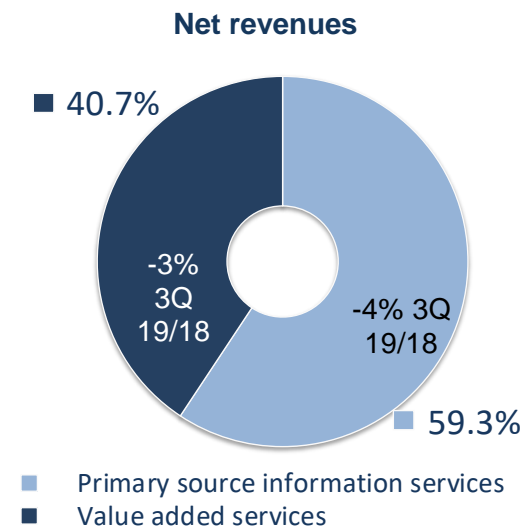
BUSINESS UNITS EVOLUTION

Market Data & VAS

<i>Thousand €</i>	3Q 2019	3Q 2018	%	9M 2019	9M 2018	%
Net Revenue	16,068	16,702	-3.8%	48,821	49,662	-1.7%
Primary source information services	9,529	9,938	-4.1%	28,050	29,899	-6.2%
Value added services	6,539	6,764	-3.3%	20,771	19,763	5.1%
Operating Costs	(7,193)	(5,939)	21.1%	(21,122)	(17,914)	17.9%
EBITDA	8,875	10,763	-17.5%	27,699	31,748	-12.8%

Market Data

- 2.8% increase in the number of clients
- 5.1% decrease in the number of end users
- Dissemination of information generated via xRolling



BUSINESS UNITS EVOLUTION

Market Data & VAS

Value Added Services

- Strategic refocus aligned with client needs
- Efficiency plan based on digital transformation
- Committed to innovation: DLT/ Analytics/ AI



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FINANCIALS

Net revenues

<i>Thousands of €</i>	3Q 2019	3Q 2018	%	9M 2019	9M 2018	%
Equity	27,344	29,709	-8.0%	84,264	98,029	-14.0%
Fixed income	1,925	2,122	-9.3%	5,836	5,945	-1.8%
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FINANCIALS

EBITDA

<i>Thousands of €</i>	3Q 2019	3Q 2018	%	9M 2019	9M 2018	%
Equity	17,804	19,687	-9.6%	56,131	67,851	-17.3%
Fixed income	931	968	-3.8%	2,844	2,426	17.2%
Derivatives	824	670	23.0%	2,689	2,775	-3.1%
Clearing	3,583	3,309	8.3%	10,657	12,025	-11.4%
Settlement & Registration	10,641	10,759	-1.1%	32,961	32,912	0.1%
Market Data & VAS	8,875	10,763	-17.5%	27,699	31,748	-12.8%

FINANCIALS

Balance sheet

<i>Thousands of €</i>	30-Sep-19	30-Sep-18
Goodwill	87,725	88,718
Other non-current assets	113,058	92,266
Cash and cash equivalents	284,740	302,355
Current financial assets	10,206	9,347
Non-Group current financial assets	12,702,553	13,036,541
Other current assets	54,207	54,301
Total assets	13,252,489	13,583,528
Owners' Equity	403,787	418,513
External Partners	302	87
Non-current liabilities	66,526	41,885
Current liabilities	12,781,874	13,123,043
Total equity and liabilities	13,252,489	13,583,528

FINANCIALS

P&L

<i>Thousands of €</i>	3Q 2019	3Q 2018	%	9M 2019	9M 2018	%
Net Revenue	70,090	71,824	-2.4%	212,595	226,511	-6.1%
Expenses	(28,132)	(29,876)	-5.8%	(84,166)	(87,572)	-3.9%
EBITDA	41,958	41,948	0.0%	128,429	138,939	-7.6%
EBIT	39,590	39,976	-1.0%	121,371	133,022	-8.8%
Financial results	(192)	(86)	123.3%	(58)	408	-114.2%
Share of profit (loss) of associates	369	452	-18.4%	2,271	2,107	7.8%
EBT	39,767	40,342	-1.4%	123,584	135,537	-8.8%
Net Profit	29,896	30,455	-1.8%	93,296	102,357	-8.9%

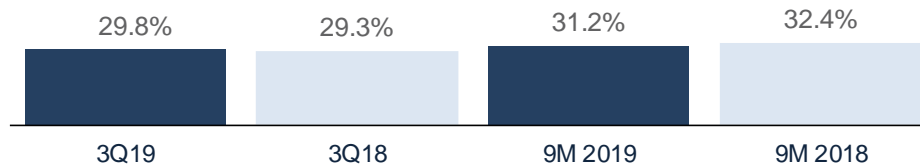


FINANCIALS

Efficiency & profitability

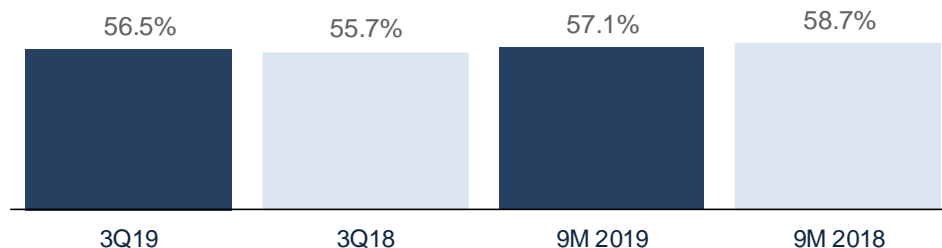
ROE evolution

(% ROE)



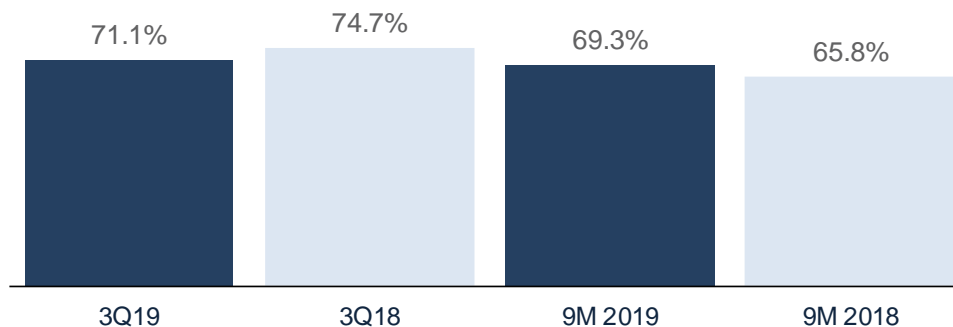
EBIT/ Net revenues ratio evolution

(% EBIT/ Net revenues)



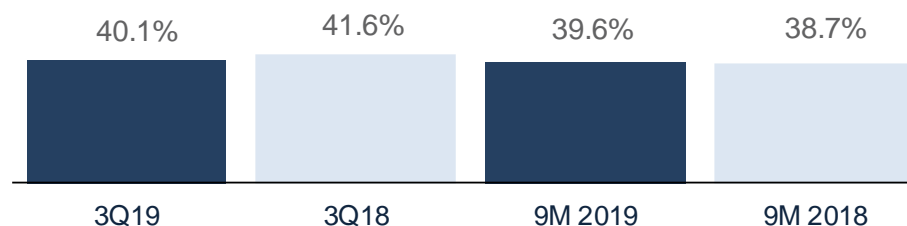
Cost/ EBIT ratio evolution

(% Cost/ EBIT)



Efficiency ratio evolution

(% Efficiency)



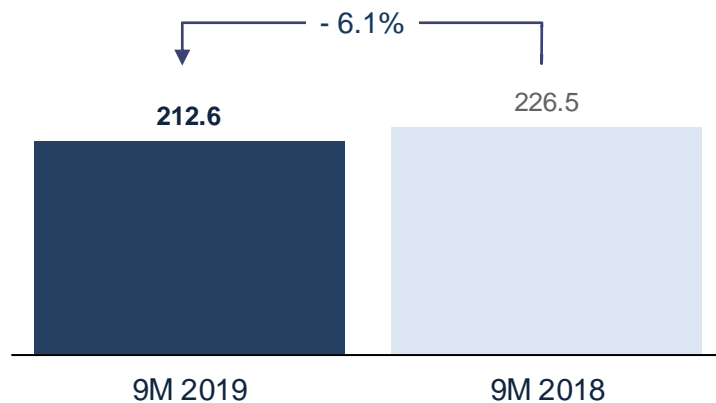
2018 data has been restated to include the impact of IFRS 15.

FINANCIALS

P&L – Main figures vs. 9M 2018

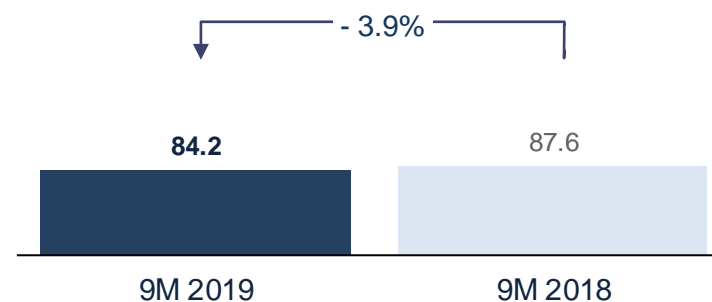
Net revenues

(€ Mill)



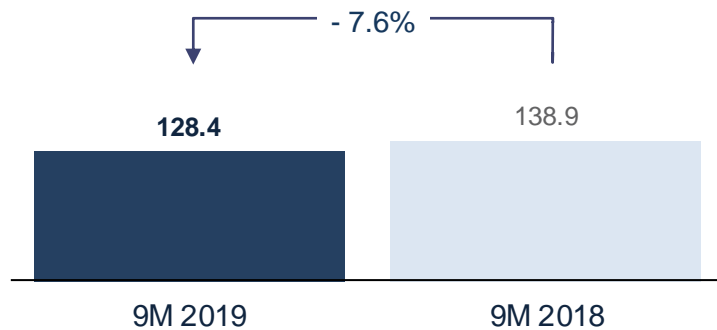
Costs

(€ Mill)



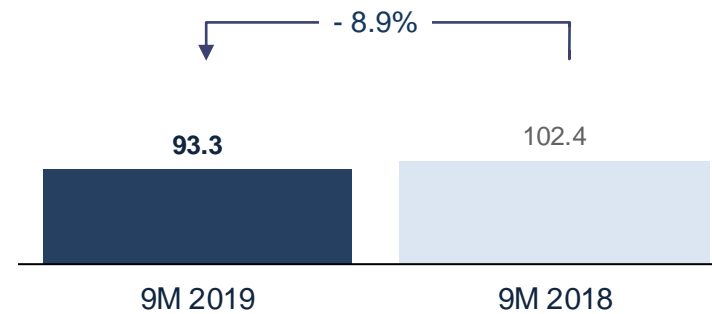
EBITDA

(€ Mill)



Net profit

(€ Mill)



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BUSINESS DRIVERS: BME ROADMAP

Activity framework		Action plans		
Industry trends	Regulatory framework	Strategic plan 2019-2021	Transformation plan	Initiatives in progress
<p>Low volumen cycle</p> <p>Increasing competition</p> <p>Increasing industry complexity</p> <p>Technology and digital transformation</p>	<p>Infrastructures</p> <p>EMIR & FinfraG</p>	<p> TARGET</p> <p>Become the infrastructure solution provider for financial institutions</p>	<p>ADAPT ORGANIZATIONAL STRUCTURE</p>	<p>Organic</p> <p>Equity:</p> <ul style="list-style-type: none"> • Volume recovery (Liquidity providers) • Listing (Lighthouse) <p>Fixed Income:</p> <ul style="list-style-type: none"> • Platform universalization • Tariff change • Secondary European sovereign debt market • Issuance repatriation <p>Derivatives:</p> <ul style="list-style-type: none"> • xRolling FX <p>Clearing:</p> <ul style="list-style-type: none"> • Gas • Connection to repo and other debt platforms (BrokerTec) • Risk manager <p>Settlement and Registratration:</p> <ul style="list-style-type: none"> • Cross Border Settlement (CBS) • CSD license <p>Value Added Services:</p> <ul style="list-style-type: none"> • SofIA Lab • Transaction Cost Analysis (TCA)
	<p>Post trading</p> <p>T2-SECURITIES</p> <p>CSDR/SFTR</p> <p>SRD2</p>	<p> FINANCIAL TARGETS</p> <ul style="list-style-type: none"> • Net revenues: ~4% p.a. • Net profit: ~6% p.a. • Cost base: ~2% p.a • CAPEX: ~EUR 10 million p.a. 	<p>TALENT MANAGEMENT PLAN</p>	
	<p>Markets</p> <p>MiFID II</p>	<p> CAPITAL ALLOCATION & INORGANIC GROWTH</p>	<p>INTERNAL REORGANIZATION</p>	
			<p>CUSTOMER FOCUS</p>	
			<p>ADAPT TO TECHNOLOGY CHANGES</p>	<p>Inorganic</p> <p>BME assigned A- rating and stable outlook (solid investment grade).</p> <p>Screening</p>

BUSINESS DRIVERS: BME ROADMAP

BME assigned A- rating and stable outlook

Key facts:

- BME has been assigned A- rating with stable outlook by S&P Global credit-rating agency.
- A- is within solid investment grade (one notch below S&P's rating for Spain).
- This rating positions BME within solid investment grade and reflects BME's minimal leverage, strong operating efficiency, vertical integration of the value chain and solid liquidity position.
- S&P believes BME has credible growth plans that will allow the company to diversify its revenue streams.
- Obtaining investment grade is in line with BME's Strategic Plan. It is the roadmap to facilitate the company's execution of the Plan and the agility in decision making.

Ratings score snapshot (S&P):

Issuer Credit Rating	A-/Stable/--
Business risk	Satisfactory
Country risk	Intermediate
Industry risk	Low
Competitive position	Satisfactory
Financial risk	Minimal
Cash flow/leverage	Minimal
Anchor	a
Modifiers	Neutral (no impact)
Diversification/Portfolio effect	Neutral (no impact)
Issuer Credit Rating	A-/Stable/--
Capital structure	Neutral (no impact)
Liquidity	Strong (no impact)
Financial policy	Neutral (no impact)
Management and governance	Satisfactory (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	
Group credit profile	a
Sovereign rating	Neutral

BUSINESS DRIVERS: BME ROADMAP

Transformation plan

ORGANIZATIONAL STRUCTURE



Changes in the organization to ensure a better implementation of the Strategic Plan include the creation of a Commercial Office, Project Management Office, Corporate Communication and Public Affairs (integrating international coordination), digital transformation of BME Inntech and the inclusion of Market Data line of business to Markets.

TALENT MANAGEMENT



Comprehensive People Development Plan, ¡actívate! (*get active*) is an initiative aimed at the entire organization. Its motto is transformation, technology and talent.

INTERNAL REORGANIZATION



Organizational changes have been made to the management team aimed at promoting the implementation of the Strategic Plan 2019-2021. New appointments: Management Committee, Commercial Management, Chief Data Officer, Innovation Committee.

CSDR LICENSE



Iberclear has been granted authorization to continue operating under EU's Central Securities Depository Regulation (CSDR), a new set of regulations aimed at improving the settlement of securities in the EU.

BUSINESS DRIVERS: BME ROADMAP

Product diversification

Product details (+)	YTD	Product details (-)	YTD
Derivatives			
IBEX 35® Div Impact futures	+155.2%	IBEX 35® Index futures	-5.1%
Equity dividend futures	+89.2%	Micro & Mini IBEX 35® Index futures	-3.6%
Electricity derivatives	+141.2%	Equity options	-21.1%
Equity futures	+52.1%		
IBEX 35® Index options	+3.0%		
Fixed income			
Admissions MARF	+67.7%	Admissions public debt	-10.9%
Trading fixed income	+81.4%		
Admissions private fixed income	+64.6%		
Equity			
		Ordinary trading	-15.5%
		Other segments trading ¹	-37.8%
		Investment flows channeled through Exchange - Listing	-8.5%

¹Corporate actions, blocks and specials.



Q&A