BME Clearing, S.A. — Sociedad Unipersonal

Annual accounts and management report for the year ended 31 December 2022

Note: Translation of the report originally issued in Spanish. In the event of a discrepancy, the Spanish–language version prevails.

BME Clearing, S.A. — Sociedad Unipersonal

BALANCE SHEET FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Thousands of euros)

ASSETS	Notes	31/12/2022	31/12/2021(*)
NON-CURRENT ASSETS		**3,677**	**1,880**
Intangible assets	**5**	**3,067**	**1,374**
Other intangible assets		3,067	1,374
Property, plant and equipment	**6**	**87**	**78**
Technical facilities and other items of property, plant and equipment		87	78
Long-term financial investments	**7 and 12**	**330**	**284**
Deferred tax assets	**13**	**193**	**144**
CURRENT ASSETS		**11,650,547**	**13,252,981**
Trade and other receivables		**8,081**	**5,435**
Customer receivables for sales and services (members and participating entities)	16	2,219	4,549
Customers, Group companies and associates	17	275	331
Other receivables	14 and 16	5,587	141
Current tax assets	13	-	414
Short-term investments in Group companies and associates	**13 and 17**	**778**	**229**
Short-term financial investments (Group)	**8**	**5,389**	**5,562**
Short-term financial investments (transactions)	**8**	**11,587,853**	**13,191,577**
Collateral posted by participants		3,577,821	3,753,088
Financial instruments in CCP		7,611,059	8,908,349
Balances receivable pending settlement		398,968	530,130
Cash withheld pending settlement		-	10
Securities withheld pending settlement		-	-
Cash receivables pending settlement		5	-
Short-term accruals		**67**	**89**
Cash and cash equivalents	**10**	**48,379**	**50,089**
TOTAL ASSETS		**11,654,224**	**13,254,861**

LIABILITIES AND EQUITY	Notes	31/12/2022	31/12/2021(*)
EQUITY (**)	**11**	**55,130**	**55,830**
CAPITAL AND RESERVES:		**55,130**	**55,830**
Capital		**18,030**	**18,030**
Registered capital		18,030	18,030
(Uncalled capital)		-	-
Share premium		**-**	**-**
Reserves		**35,278**	**35,442**
(Own shares and equity holdings)		**-**	**-**
Prior years' profit/(loss)		**-**	**-**
Other equity holder contributions		**1,822**	**1,822**
Profit/(loss) for the year		**8,241**	**8,217**
(Interim dividend)		**(8,241)**	**(7,681)**
Other equity instruments		**-**	**-**
VALUATION ADJUSTMENTS		-	-
Available-for-sale financial assets		**-**	**-**
Hedging transactions		**-**	**-**
Translation differences		**-**	**-**
Other valuation adjustments		**-**	**-**
GRANTS, DONATIONS AND BEQUESTS RECEIVED		**-**	**-**
NON-CURRENT LIABILITIES		**218**	**289**
Long-term provisions	**12**	**218**	**289**
CURRENT LIABILITIES		**11,598,876**	**13,198,742**
Short-term provisions	**12**	**23**	**24**
Short-term financial liabilities (transactions)	**8**	**11,587,848**	**13,191,577**
Collateral posted by participants		3,577,821	3,753,088
Financial instruments in CCP		7,611,059	8,908,349
Balances payable pending settlement		398,968	530,130
Withheld cash payables pending settlement		-	10
Cash payables pending settlement		-	-
Short-term payables to Group companies and associates	**13 and 17**	**-**	**292**
Trade and other payables		**11,005**	**6,849**
Payables	15 and 17	3,881	5,948
Other payables	13, 14 and 15	7,124	901
TOTAL EQUITY AND LIABILITIES		**11,654,224**	**13,254,861**

(*) Figures presented solely and exclusively for comparison purposes.

(**) In accordance with Article 35 of Regulation (EU) No 153/2013 with regard to regulatory technical standards on requirements for central counterparties, the specific own resources included in "Equity" at 31 December 2022 amounted to EUR 6,000,000 as set out in the Company's Specific Own Resources Circular (EUR 5,500,000 thousand at 31 December 2021).

Notes 1 to 21 are an integral part of the balance sheet as at 31 December 2022.

BME Clearing, S.A. — Sociedad Unipersonal

INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Thousands of euros)

	Notes	2022	2021(*)
Net revenue	**16**	**27,095**	**27,215**
Own work capitalised	**5**	**1,678**	**1,099**
Other operating income		**1**	**(1)**
Non-trading and other operating income		1	-
Operating grants included in the profit/(loss) for the period		-	(1)
Direct variable cost of operations	**16**	**(2,557)**	**(2,791)**
NET INCOME		**26,217**	**25,522**
Staff costs	**14**	**(6,281)**	**(7,294)**
Wages, salaries and similar expenses		(5,006)	(5,945)
Social security contributions		(992)	(996)
Provisions and other staff costs		(283)	(353)
Other operating expenses		**(8,113)**	**(6,500)**
External services	15	(7,781)	(6,658)
Taxes other than income tax		(332)	158
Losses, impairment and changes in provisions for commercial transactions	16	-	-
Amortisation and depreciation		**(139)**	**(485)**
Amortisation of intangible assets	5	(105)	(453)
Depreciation of property, plant and equipment	6	(34)	(32)
Provision surpluses		**24**	**-**
Impairment and gains/(losses) on disposal of non-current assets		**-**	**-**
OPERATING PROFIT/(LOSS)		**11,708**	**11,243**
Finance income		**23,631**	**14,885**
From equity investments		-	-
Group companies and associates		-	-
Marketable securities and other financial instruments		23,631	14,885
Third parties	8	23,631	14,885
Finance expenses		**(23,795)**	**(15,164)**
Debts to third parties	8 and 10	(190)	(284)
Provision adjustments	12	(3)	(2)
Collateral posted by participants	8	(23,602)	(14,878)
Exchange rate differences		**-**	**-**
Impairment and gains/(losses) on disposal of financial instruments		**-**	**-**
Gains/(losses) on disposals and others		-	-
FINANCIAL RESULT		**(164)**	**(279)**
PROFIT/(LOSS) BEFORE TAX		**11,544**	**10,964**
Income tax expense	**13**	**(3,303)**	**(2,747)**
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**8,241**	**8,217**
Profit/(loss) after tax from discontinued operations		**-**	**-**
PROFIT/(LOSS) FOR THE YEAR		**8,241**	**8,217**

(*) Figures presented solely and exclusively for comparison purposes.

Notes 1 to 21 are an integral part of the income statement for the year ended 31 December 2022.

BME Clearing, S.A. — Sociedad Unipersonal

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES
(Thousands of euros)

	Notes	2022	2021(*)
PROFIT/(LOSS) FROM THE INCOME STATEMENT		**8,241**	**8,217**
		-	**-**
Measurement of financial instruments		**-**	**-**
Available-for-sale financial assets		**-**	-
Other income/(expenses)		**-**	-
Cash flow hedges		**-**	**-**
Grants, donations and bequests received		**-**	**-**
Actuarial gains and losses and other adjustments	**11 and 12**	**288**	**128**
Other income and expenses recognised directly in equity		**-**	**-**
Tax effect		**-**	**-**
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY		**288**	**128**
Measurement of financial instruments		**-**	**-**
Available-for-sale financial assets		-	-
Other income/(expenses)		-	-
Cash flow hedges		**-**	**-**
Grants, donations and bequests received		**-**	**-**
Other income and expenses recognised directly in equity		**-**	**-**
Tax effect		**-**	**-**
TOTAL AMOUNTS TRANSFERRED TO INCOME STATEMENT		**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENSES		**8,529**	**8,345**

(*) Figures presented solely and exclusively for comparison purposes.

Notes 1 to 21 are an integral part of the statement of income and expenses recognised for the year ended 31 December 2022.

BME Clearing, S.A. — Sociedad Unipersonal

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

B) STATEMENT OF TOTAL CHANGES IN EQUITY
(Thousands of euros)

	Capital and reserves											
		Share premium, reserves and other										
	Capital	**Share premium**	**Reserves**	**Prior years' profit or loss**	**Other equity holder contributions**	**Interim dividend**	**Treasury shares**	**Profit/(loss) of the year**	**Other equity instruments**	**Valuation adjust-ments**	**Grants, donations and bequests received**	**Net equity**
BALANCE AT END OF 2020(*)	**18,030**	**-**	**25,422**	**-**	**1,822**	**-**	**-**	**9,892**	**-**	**-**	**-**	**55,166**
Adjustments for changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for errors	-	-	-	-	-	-	-	-	-	-	-	-
ADJUSTED BALANCE AT BEGINNING OF 2021(*)	**18,030**	**-**	**25,422**	**-**	**1,822**	**-**	**-**	**9,892**	**-**	**-**	**-**	**55,166**
Total recognised income and expenses	**-**	**-**	**128**	**-**	**-**	**-**	**-**	**8,217**	**-**	**-**	**-**	**8,345**
Transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**(7,681)**	**-**	**-**	**-**	**-**	**-**	**(7,681)**
Capital increases	-	-	-	-	-	-	-	-	-	-	-	-
Capital reductions	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	(7,681)	-	-	-	-	-	(7,681)
Treasury share transactions (net)	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-
Other transactions with shareholders	-	-	-	-	-	-	-	-	-	-	-	-
Other changes in equity	**-**	**-**	**9,892**	**-**	**-**	**-**	**-**	**(9,892)**	**-**	**-**	**-**	**-**
BALANCE AT END OF 2021 (*)	**18,030**	**-**	**35,442**	**-**	**1,822**	**(7,681)**	**-**	**8,217**	**-**	**-**	**-**	**55,830**
Adjustments for changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for errors	-	-	-	-	-	-	-	-	-	-	-	-
ADJUSTED BALANCE AT BEGINNING OF 2022	**18,030**	**-**	**35,442**	**-**	**1,822**	**(7,681)**	**-**	**8,217**	**-**	**-**	**-**	**55,830**
Total recognised income and expenses	**-**	**-**	**288**	**-**	**-**	**-**	**-**	**8,241**	**-**	**-**	**-**	**8,529**
Transactions with shareholders	**-**	**-**	**(452)**	**(536)**	**-**	**(8,241)**	**-**	**-**	**-**	**-**	**-**	**(9,229)**
Capital increases	-	-	-	-	-	-	-	-	-	-	-	-
Capital reductions	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	(452)	(536)	-	(8,241)	-	-	-	-	-	(9,229)
Treasury share transactions (net)	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in equity due to business combinations	-	-	-	-	-	-	-	-	-	-	-	-
Other transactions with shareholders	**-**	**-**	**-**	**536**	**-**	**7,681**	**-**	**(8,217)**	**-**	**-**	**-**	**-**
Other changes in equity	-	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT END OF 2022	**18,030**	**-**	**35,278**	**-**	**1,822**	**(8,241)**	**-**	**8,241**	**-**	**-**	**-**	**55,130**

(*) Figures presented solely and exclusively for comparison purposes.

Notes 1 to 21 are an integral part of the statement of total changes in equity for the year ended 31 December 2022.

BME Clearing, S.A. — Sociedad Unipersonal

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Thousands of euros)

	Notes	Year 2022	Year 2021(*)
CASH FLOWS FROM OPERATING ACTIVITIES		**7,507**	**7,679**
Profit/(loss) for the year before tax		**11,544**	**10,964**
Adjustments to profit/(loss)		**(1,158)**	**(257)**
Amortisation and depreciation	5 and 6	139	485
Other adjustments to profit/(loss) (net)		(1,297)	(742)
Changes in working capital		**592**	**(3)**
Other cash flows from operating activities:		**(3,471)**	**(3,025)**
Interest paid	8, 10 and 12	(23,795)	(15,164)
Dividends received		-	-
Interest received	8 and 10	23,631	14,885
Income tax received/(paid)	13	(3,303)	(2,747)
Other amounts received/(paid) from operating activities		(4)	1
CASH FLOWS FROM INVESTING ACTIVITIES		**12**	**(797)**
Payments for investments		**12**	**(797)**
Group companies, jointly controlled entities and associates		-	-
Property, plant and equipment, intangible assets and property investments	5 and 6	(163)	(82)
Other financial assets	7 and 8	175	(715)
Other assets		-	-
Proceeds from disposals		-	**-**
Group companies, jointly controlled entities and associates		-	-
Property, plant and equipment, intangible assets and property investments		-	-
Other financial assets	8	-	-
Other assets		-	-
CASH FLOWS FROM FINANCING ACTIVITIES		**(9,229)**	**(7,681)**
Proceeds from and payments for equity instruments		**-**	**-**
Issue of equity instruments		-	-
Redemption of equity instruments		-	-
Acquisition of own equity instruments		-	-
Disposal of own equity instruments		-	-
Grants, donations and bequests received		-	-
Proceeds from (and payments for) financial liabilities		-	**-**
Issue		-	-
Redemptions and repayment		-	-
Dividends and interest on other equity instruments paid-	**11**	**(9,229)**	**(7,681)**
			-
EFFECT OF EXCHANGE RATE FLUCTUATIONS		**-**	**-**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(1,710)**	**(799)**
Cash and cash equivalents at beginning of year	10	50,089	50,888
Cash and cash equivalents at end of year	10	48,379	50,089

(*) Figures presented solely and exclusively for comparison purposes.

Notes 1 to 21 are an integral part of the statement of cash flows
for the year ended 31 December 2022.

BME Clearing, S.A. — Sociedad Unipersonal

Notes to the financial statements for the year ended
31 December 2022

1. Company background

BME Clearing, S.A. — Sociedad Unipersonal (the "Company" or "BME Clearing") was incorporated on 7 December 1988 as OM Ibérica, S.A.

In March 1991, the Company changed its name to Mercado de Opciones Financieras Español, S.A. (MOFEX). On 18 December 1991, the Company changed its name again, to MEFF Sociedad Rectora de Productos Financieros Derivados de Renta Variable, S.A. — Sociedad Unipersonal ("MEFF Renta Variable").

Also on 18 December 1991, Mercado de Futuros Financieros, S.A., (MEFFSA) changed its name to MEFF Sociedad Rectora de Productos Financieros Derivados de Renta Fija, S.A. — Sociedad Unipersonal ("MEFF Renta Fija").

The changes in corporate name came under the framework of an agreement between the two companies to become management companies of the official markets for derivative financial products, which occurred pursuant to Royal Decree 1814/1991 of 20 December, regulating official secondary markets for futures and options.

Its corporate purpose at that time was to govern and manage the market for futures and options and other equity derivatives, assuming responsibility for the internal organisation and transactions of this market, for which it possessed the resources required. This single corporate purpose was understood to include all the activities required to fulfil the corporate purpose in compliance with the law, especially in respect of regulations governing the markets at any particular time. The Company's principal activity was the management of the equity derivatives market and the clearing and settlement house for transactions in that market.

In 2010, as a result of the publication of Royal Decree 1282/2010 of 16 October, regulating official secondary markets for futures, options and other derivative financial instruments, the Company amended its Bylaws, principally to reflect the change of name to MEFF Sociedad Rectora de Productos Derivados, S.A. — Sociedad Unipersonal and to include in its corporate purpose the performance of activities set forth in Article 59 of the Securities Market Act (Ley del Mercado de Valores) in effect at that time, as well as of those provided by Article 44.ter therein relating to the central counterparty activities stipulated in this Royal Decree. Therefore, the corporate purpose of the Company was understood to include all the activities that enable it to fulfil this purpose and that are in compliance with the law, in particular the rules governing the markets at any given time. As a result, the regulations of the official secondary market in futures and options were changed, taking effect on 24 January 2011.

On 22 October 2012, an amendment to the Company's Bylaws was authorised to include its new activities as a fixed-income securities central counterparty clearing house, transferred from the defunct MEFF Sociedad Rectora de Productos Financieros Derivados de Renta Fija, S.A. — Sociedad Unipersonal to the Company as a result of the takeover by the Company during that year.

In 2013, the Company was involved in a corporate transaction as part of the reorganisation of the business carried out by the Company and by MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A. — Sociedad Unipersonal (previously BME Gestión de Estudios y Proyectos, S.A.U.) to adapt the corporate structure to European regulations regarding European market infrastructures, specifically Regulation (EU) No 648/2012 of the European Parliament and Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (known as the "EMIR Regulation"), which required trading activities to be separated from clearing activities.

The proposed restructuring was expressly approved by the Ministry of Economy and Competitiveness, based on a report issued by the National Securities Market Commission, through Order ECC/1556/2013 of 19 July, which authorised MEFF Sociedad Rectora de Productos Derivados, S.A.U. (now BME Clearing S.A. — Sociedad Unipersonal) to separate its trading, counterparty, clearing and settlement functions and to act as a central counterparty, as provided for in Article 44.ter.3 of the Securities Market Act of 24/1998 of 28 July.

On 27 June 2013, the Boards of Directors of the Company and MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A. — Sociedad Unipersonal, respectively, agreed on the partial spin-off of the Company to MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A. — Sociedad Unipersonal entailing the transfer of the business unit comprising the assets as well as technical and human resources necessary to manage the official secondary market for derivative products of the Company to MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A — Sociedad Unipersonal, which acquired all the assets and liabilities, rights and obligations of said business unit by means of universal succession.

On 26 July 2013, Bolsas y Mercados Españoles Sociedad Holding de Mercados y Sistemas Financieros, S.A., as the sole shareholder of both companies, approved the partial spin-off to MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A. — Sociedad Unipersonal, amended its corporate purpose to include the interposition on a principal basis with regard to the clearing and settlement of securities or financial instruments as set forth in Article 44.ter of the Securities Market Act and the implementing provisions thereof applicable at any given time, and changed its name to the current BME Clearing, S.A. — Sociedad Unipersonal.

The Company was authorised by the Ministry of Economy and Competitiveness by Ministerial Order ECC/1556/2013 of 19 July, published in the Official State Gazette (Boletín Oficial del Estado) on 14 August 2013, to operate as a central counterparty, as provided for in Article 44.ter.3 of Securities Market Act 24/1998 of 28 July.

In addition, on 16 September 2014, BME Clearing received authorisation to operate as a central counterparty (CCP), in compliance with the aforementioned Regulation (EU) No 648/2012 of the European Parliament and Council, and was included in the register of authorised European Union CCPs kept by the European Securities and Markets Authority (ESMA).

Furthermore, on 29 July 2015, the Company received authorisation from the National Securities Market Commission to broaden its clearing activities once the joint review process carried out by the Association of Regulators set forth in the EMIR Regulation had concluded. The new clearing activities refer to the two new segments: OTC interest rate derivatives and purchase/sale transactions for equity instruments. This is a key element in the reform of the securities clearing and settlement system. Activity in the OTC interest rate derivatives segment began on 30 November 2015 and activity in the equity securities segment, which includes the clearing of equity spot trades from the Exchange Interconnection System, commenced on 27 April 2016.

Entry into force of the reform of the Spanish equity securities clearing, settlement and registration system (established by Law 32/2011 of 4 October, which amended Law 24/1988 of 28 July on the Securities Market, and culminating in the first final provision of Law 11/2015 of 18 June, with the aim of standardising Spanish post-trading activities in line with those of other European countries), involved three main changes: (a) a move to a holdings-based registration system for equity securities; (b) the introduction of a central counterparty (CCP) and (c) bringing together the current settlement systems, CADE and SCLV, into a single platform.

Following the entry into force of the reform on 27 April 2016, the Company's activities include the clearing of equity spot trades from the Exchange Interconnection System (trades in securities admitted to trading on the Spanish Stock Exchanges and in the MAB and Latibex multilateral trading systems).

On 18 September 2017, the second phase of the reform of the Spanish securities clearing, settlement and registration system ended, with (a) the inclusion in the ARCO settlement system of fixed-income securities, which until then had been part of the clearing and settlement system for transactions in the book-entry public debt market and the AIAF fixed-income market and (b) the connection of Sociedad de Sistemas to the technical support of Target2-Securities, managed by the European Central Bank and the group of central banks of the euro area.

BME Clearing adapted its clearing services in the fixed-income securities segment to the regulatory and operational changes arising from the implementation of this second phase of the reform. As a result, fixed-income securities trades cleared in the CCP after this date have been settled in the Iberclear ARCO system, using the Target2-Securities technical support. The Company's Rule Book was changed (effective on 18 September 2017) to include the activities to be carried out as a CCP for fixed-income and equity securities, along with financial, interest rate (IRS) and energy derivatives.

On 1 June 2017, the Company received authorisation to extend its services as a CCP to gas contracts (Mercado Ibérico del Gas) with physical delivery, which forms part of the CCP's energy segment.

Lastly, on 21 June 2019, the Company expanded its offer of CCP services to currency contracts (x-Rolling FX), which form part of the CCP's financial derivatives segment.

The Company's activity is linked to the interests of the Bolsas y Mercados Españoles Group (hereafter BME Group), the parent of which is Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. — Sociedad Unipersonal, with registered office at Plaza de la Lealtad, nº 1, Madrid, and this company is responsible for the preparation of the consolidated financial statements. The Group combines all the Spanish companies that manage the securities registration, clearing and settlement systems, central counterparties, secondary markets and multilateral trading systems. Bolsas y Mercados Españoles Group's consolidated financial statements for 2022 were authorised for issue by the Directors at the meeting of its Board of Directors held on 27 February 2023. The 2021 consolidated financial statements were authorised for issue by the Directors at the meeting of its Board of Directors held on 28 February 2022, approved by the sole shareholder of Bolsas y Mercados Españoles on 31 March 2022 and filed with the Commercial Registry of Madrid.

As described in note 1 of the consolidated financial statements of the Bolsas y Mercados Españoles Group for the 2022 fiscal year, SIX Group AG obtained control of BME on 16 June 2020 following the publication of the results of the voluntary tender offer for all the shares of BME. SIX Group AG, BME's sole shareholder from 10 September 2020 to 17 November 2022, is incorporated under the laws of Switzerland, with registered office at Hardturmstrasse 201, CH-8005 Zurich, Switzerland. It is filed with the Commercial Registry of the Canton of Zurich. SIX Group AG is the parent of a group of companies (SIX Group) that operates the infrastructure of Switzerland's stock markets and, as of 16 June 2020, Spain's stock markets.

With effect from 17 November 2022, SIX Group AG transferred 100% of the shares in the share capital of BME to SIX Exchange Group AG (hereinafter, "SIX"), also a member of SIX Group. SIX Exchange Group AG is a company incorporated under the laws of Switzerland, with registered office at Hardturmstrasse 201, CH-8005 Zurich, Switzerland. It is filed with the Commercial Registry of the Canton of Zurich.

The Company's registered office is at Plaza de la Lealtad, nº 1, Madrid, although its operational headquarters are at Calle Tramontana, nº 2, Las Rozas, Madrid.

2. Basis of preparation of the financial statements

2.1 Financial reporting framework applicable to the Company

The accompanying financial statements were prepared by the Directors in accordance with the financial reporting framework applicable to the Company, as set out in:

a. The Code of Commerce and other mercantile legislation

b. The Spanish General Accounting Plan (Plan General de Contabilidad) approved by Royal Decree 1514/2007 of 16 November, which has been subject to various amendments since its publication, the latest of which was introduced by Royal Decree 1/2021 of 12 January and its implementing regulations; as well as in the rest of the commercial legislation in force, and its sector-specific adaptations and, in particular, Circular 9/2008 of 10 December, issued by the National Securities Market Commission (Comisión Nacional del Mercado de Valores or "CNMV") (amended by CNMV Circular 5/2016 of 27 July) (section 2.2 of this note)

c. The mandatory standards approved by the Spanish Institute of Accounting and Audit of Accounts (Instituto de Contabilidad y Auditoría de Cuentas) based on the Spanish General Accounting Plan and supplementary standards thereto and those approved by the CNMV applicable to the Company

d. All other applicable Spanish accounting standards

2.2 True and fair view

The accompanying financial statements were obtained from the Company's accounting records and are presented in accordance with the applicable financial reporting framework and, in particular, the accounting principles and policies contained therein, to give a true and fair view of the Company's equity and financial position, and the results of its operations and its cash flows for the year then ended. These financial statements, which were authorised for issue by the Company's Board of Directors, will be submitted for approval by the sole shareholder. It is expected that they will be approved without modification. The financial statements for 2021 were approved by the sole shareholder on 28 April 2022.

The accompanying balance sheets, income statements, statements of changes in equity and statements of cash flows are presented in compliance with the formats established in Appendix III of Circular 5/2016 of 27 July issued by the CNMV.

2.3 Non-mandatory accounting principles applied

No non-mandatory accounting principles were applied. The Board of Directors has authorised for issue these financial statements taking into account all mandatory accounting standards and principles with a material effect on the financial statements. All mandatory accounting principles were applied.

2.4 Critical issues regarding the measurement and estimation of uncertainties

The preparation of the accompanying financial statements required the Company's Board of Directors to make estimates to determine the book value of some of the assets, liabilities, income and expenses and on breakdowns of contingent liabilities. These estimations have been performed on the base of the best information available at the end of the fiscal year. However, given the uncertainties involved, future events may require them to be adjusted in subsequent fiscal years, which will be done prospectively if necessary.

Key assumptions about the future and other relevant information about the estimates of the uncertainty at the end of the fiscal year that involve a significant risk of a material change in the value of assets or liabilities during the next fiscal year are as follows:

- Assessment of potential impairment losses on certain assets (notes 4.4, 7, 8 and 15)

- Assumptions used in the actuarial calculation of pension liabilities and other employee obligations (note 12)

- Useful life of intangible assets and property, plant and equipment (notes 4.1, 4.2, 5 and 6)

- Calculation of provisions (notes 4.11 and 12)

- Fair value of certain financial instruments (notes 4.4 and 8)

- Recognition of deferred tax assets (notes 4.6 and 13)

2.5 Changes in accounting policies

In 2022, there were no significant changes in accounting policies compared to the policies applied in the 2021 fiscal year.

2.6 Aggregation of items

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows have been aggregated with other items for easier understanding. However, where the amounts are material, they are disclosed separately in the notes.

2.7 Correction of errors

No material errors were detected in the preparation of the accompanying financial statements that would require a restatement of the amounts included in the 2021 financial statements.

2.8 Comparative information

In accordance with commercial legislation, with each of the items of the balance sheet, income statement, statement of changes in equity and statement of cash flows, corresponding figures of the previous fiscal year are presented in addition to the figures of 2022 for comparison purposes. Furthermore, the notes include quantitative information from the previous year, except when an accounting standard specifically provides that it is not required.

Unless indicated otherwise, the accompanying financial statements are presented in thousands of euros.

2.9 Going concern

The Directors of the Company have prepared these financial statements on a going concern basis.

From the close of the 2022 fiscal year until the date of preparation of these financial statements, the Directors of the Company have no knowledge of material uncertainties related to events or conditions that could cause significant doubts as to the Company's ability to continue as a going concern.

3. Distribution of profit

The proposed distribution of profit for 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Interim dividend	8,241	7,681
Final dividend	-	536
	8,241	**8,217**

(*) On 28 April 2022, the sole shareholder approved the proposed distribution of 2021 profit without modification.

At the meetings of 14 December 2022, 15 July 2022 and 28 April 2022, the Company's Board of Directors agreed to pay interim dividends out of 2022 profit of EUR 2,995,000 and EUR 2,493,000, and EUR 2,753,000, respectively, which were paid before the close of the fiscal year and recognised in the balance sheet at 31 December 2022 under "Interim dividend" in "Equity" (note 11).

At the meetings of 14 December 2021 and 24 June 2021, the Company's Board of Directors agreed to pay interim dividends out of 2021 profit of EUR 4,409,000 thousand and EUR 3,272,000, respectively, which were paid before the close of the fiscal year and recognised in the balance sheet at 31 December 2021 under "Interim dividend" in "Equity" (note 11).

In accordance with Article 277 of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital), the Company's Directors prepared the financial statements for 2022 and 2021 immediately prior to the approval of the payment of said interim dividends, which financial statements confirmed the existence of sufficient liquidity to pay the interim dividends, as follows:

	Thousands of euros		
	30/11/2022	30/06/2022	31/03/2022
Profit for the year available at the dividend date	8,241	5,246	2,753
Interim dividend paid in the year	(5,246)	(2,753)	-
Amount available for distribution	**2,995**	**2,493**	**2,753**
Available liquidity	55,613	55,395	56,758
Interim dividend amount	(2,995)	(2,493)	(2,753)
Retained earnings	**52,618**	**52,902**	**54,005**

	Thousands of euros	
	30/11/2021	30/05/2021
Profit for the year available at the dividend date	7,681	3,272
Interim dividend paid in the year	(3,272)	-
Amount available for distribution	**4,409**	**3,272**
Available liquidity	57,827	57,902
Interim dividend amount	(4,409)	(3,272)
Retained earnings	**53,418**	**54,630**

4. Recognition and measurement standards

The main recognition and measurement standards used by the Company in the preparation of the financial statements for 2022 (note 2.1) were as follows:

4.1 Intangible assets

As a general rule, intangible assets are measured initially at acquisition or production cost. Subsequently, they are carried at cost less the related accumulated amortisation and any impairment losses. These assets are amortised over their useful lives.

Other intangible assets

Research and development costs

Research costs are recognised in the income statement in the year in which they are incurred.

The Company follows the criterion of capitalising as intangible assets (computer applications) with a credit to "Own work capitalised" in the income statement the expenditure for developing computer applications when certain conditions are met, as described in the section "Computer applications" of this note.

Where there are doubts as to the technical success or economic profitability of the project, any amounts capitalised are recognised directly in the income statement for the year.

Computer applications

The Company recognises costs incurred to acquire computer programs under this heading.

Also recognised under this heading are the expenditure required to develop computer applications internally, with a credit to “Own work capitalised” in the income statement provided the following conditions are met:

- The costs are itemised by project and clearly defined.

- There is evidence of the project’s technical success and economic and commercial feasibility.

- Assets thus generated are amortised on a straight-line basis over their years of useful life (over a maximum of five years). The cost of maintaining computer applications is recognised in the income statement for the year in which it is incurred.

The Company amortises its computer applications on a straight-line basis over the estimated useful lives of the related assets as follows:

	Years of estimated useful life
Developed internally	5
Acquired from third parties	3

The annual amortisation charge for intangible assets is recognised in the income statement under “Amortisation and depreciation — Amortisation of intangible assets”.

The Company recognises any impairment loss in the carrying value of these assets in the income statement under “Impairment and gains/(losses) on disposal of non-current assets”. The criteria for recognising impairment losses on these assets and any reversals of impairment losses recognised in previous years are similar to those applied to property, plant and equipment (note 4.2).

4.2 Property, plant and equipment

Elements of property, plant and equipment are measured at their acquisition price or production cost and subsequently reduced by the corresponding accumulated depreciation and the accumulated amount of impairment losses, if any.

The Company depreciates its property, plant and equipment on a straight-line basis over the estimated useful lives of the assets as follows:

	Years of estimated useful life
Facilities and furniture	10
Information technology equipment	4

The annual depreciation charge for property, plant and equipment is recognised in the income statement under “Amortisation and depreciation — Depreciation of property, plant and equipment”.

Expenses for the maintenance and repair of items of property, plant and equipment are charged to the income statement in the year in which they are incurred. In contrast, the amounts invested in improvements that contribute to increasing the capacity or efficiency or to extending the useful life of said assets, if any, are recorded as their higher cost.

At the end of each fiscal year and whenever there is any indication that the carrying amount of items recorded under this heading exceeds their recoverable amount, the Company recognises any impairment loss on these assets in the income statement under “Impairment and gains/(losses) on disposal of non-current assets”.

The recoverable amount is determined as the higher of fair value less costs to sell and value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased in the revised estimate of its recoverable amount, but in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised in previous years. Where appropriate, such reversal of an impairment loss is recognised as income in the income statement with a credit to “Impairment and gains/(losses) on disposal of non-current assets”.

4.3 Operating leases

In operating lease transactions, ownership of the leased property and substantially all the risks and benefits that accrue to the property remain with the lessor.

The Company is only the lessee of the building used as the Company’s operational headquarters, which is owned by Bolsas y Mercados Españoles Servicios Corporativos, S.A. (note 1). Operating lease expenses are charged to the income statement on a straight-line basis in the year in which they are accrued under “Other operating expenses — External Services” (notes 7 and 15).

Any charge or payment that might be made when entering into an operating lease is treated as an advance charge or payment and will be charged to the income statement over the lease term as the benefits of the leased asset are transferred or received.

4.4 Financial instruments

4.4.1 Financial assets

i. Classification and measurement

Financial assets held by the Company are classified by maturity; those maturing in twelve months or less are classified as “current assets” and those maturing in over twelve months as “non-current assets”.

The different types of financial instruments are classified in the balance sheet as follows:

- “Non-current assets” includes long-term guarantees mainly for the rental of the buildings in which the Company carries out its activities, along with the assets resulting from the measurement of the defined-benefit post-employment obligations for retirement bonuses, both of which measured at amortised costs, where appropriate.

- “Short-term financial investments (Group)” consists mainly of deposits with credit institutions due to the collateral required of the Company by Banco de España and held in a blocked current account at Banco de España to ensure that payments are made immediately in the event of a cash settlement failure. Banco de España calculates this collateral quarterly, adjusting the blocked amount in the current account with the same frequency. It is measured at amortised cost (note 8).

- “Other current financial assets — Collateral posted by participants” consists mainly of repurchase agreements of assets, deposits required and made and, where appropriate, other liquid assets equivalent to cash, in which funds are invested that are temporarily available to the Company and arise from the statutory deposits which the members of the Company are required to make as collateral for their positions. These financial assets are measured at amortised cost (note 8).

- “Other current financial assets — Financial instruments in CCP” corresponds to the positions recorded in the Company’s interposition in respect of liabilities arising from options, equity securities, and fixed-income securities transactions (transactions in BME Clearing Repo) for which BME Clearing acts as a CCP.

  The positions held in these financial assets are matched by equivalent positions in financial liabilities (sales of derivative instruments, equity securities and fixed-income securities).

  Both the transactions undertaken by the central counterparty clearing house in its role as an intermediary, which is its business model, and the contractual characteristics of the obligations entered into meet the requirements to classify the financial assets by positions with the central counterparty at fair value (note 8).

- “Other current financial assets — Receivables for settlement” includes balances pending settlement (settled the next day) by change in derivatives margins (futures, IRS, x-Rolling FX and energy), by day-traded options as well as by the outstanding variation margin for energy derivatives. These financial assets are measured at fair value (note 8).

- “Other current financial assets — Cash withheld pending settlement” includes the cash remaining from the completion of the settlement cycle when the amount of unsettled purchases is less than the amount of unsettled sales. These financial assets are measured at amortised cost.

- “Other current financial assets — Securities withheld pending settlement”: The Company recognises a financial asset when a purchasing member fails to provide sufficient cash to pay for the purchase of securities within the foreseen time period and is overdrawn, or as a result of failures in the standardised settlement process. These financial assets are measured at amortised cost.

- “Other current financial assets — Cash receivables pending settlement” includes cash temporarily withheld in the settlement process due to the intermediary role of BME Clearing in all buy and sell instructions for equity and fixed-income securities (transactions in BME Clearing Repo). These financial assets are measured at amortised cost.

- “Trade and other receivables (current assets)” consists mainly of balances arising from the provision of services in accordance with the Company’s corporate purpose and the requirements of public authorities. These financial assets are measured at amortised cost (notes 13, 14, 16 and 17).

- “Cash and cash equivalents (current assets)” includes cash, repurchase agreements for assets, short-term financial deposits and, if any, other cash equivalents (with maturity of less than three months) in which the Company invests the cash surpluses it maintains. These financial assets are measured at amortised cost (note 10).

Subsequent measurement

Loans and receivables are measured at amortised cost. Accrued interest is recognised in the income statement using the effective interest rate method. However, receivables falling due in less than one year are measured at the nominal amount, provided that the effect of not discounting the cash flows is immaterial.

Financial assets at fair value through profit or loss are measured in accordance with the provisions of section 4.4 below.

At least at the end of the fiscal year, the Company tests its financial assets not measured at fair value for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount.

Specifically, regarding valuation allowances for trade and other receivables, the process of assessing these assets for potential impairment losses is performed individually for all financial assets measured at amortised cost.

Impairment losses are recognised in the income statement under “Impairment and gains/(losses) on disposal of financial instruments”. If the impairment corresponds to trade and other receivables, it is recognised in the income statement under “Other operating expenses — Losses, impairment and changes in provisions for commercial transactions”. If the impairment loss reverses subsequently, the carrying amount is increased but in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years and recorded in the income statement with a credit to “Other operating expenses — Losses, impairment and changes in provisions for commercial transactions” for trade and other receivables and “Impairment and gains/(losses) on disposal of financial instruments” for all other financial assets.

iii. Derecognition of financial assets in the balance sheet

The Company derecognises a financial asset when the rights to the cash flows from the asset expire or have been transferred and substantially all the risks and rewards of ownership have been transferred (such as binding agreements for sales of assets).

4.4.2 Financial liabilities

Financial liabilities are classified by maturity; those maturing in twelve months or less are classified as “current” and those maturing in over twelve months as “non-current”.

The different types of financial instruments are classified in the balance sheet as follows:

- “Other current financial liabilities — Collateral posted by participants” includes statutory deposits which the members of the Company are required to make as collateral for their positions (note 8).

- "Other current financial liabilities — Financial instruments in CCP" corresponds to the liabilities arising from the positions recorded in the interposition of BME Clearing in respect of options, equity securities, and fixed-income securities transactions (transactions in BME Clearing Repo) for which BME Clearing acts as a CCP. They are measured using the criteria defined for these assets (section 4.4.1) (note 8).

- "Other current financial liabilities — Balances payable pending settlement" includes liabilities pending settlement (settled the next day) by change in derivatives margins (futures, IRS, x-Rolling FX and energy), by day-traded options as well as by the outstanding variation margin for energy derivatives. These financial liabilities are measured at fair value (note 8).

- "Other current financial liabilities — Withheld cash payables pending settlement" includes cash temporarily deposited in the settlement process due to the intermediary role of BME Clearing in all buy and sell instructions for equity and fixed-income securities (transactions in BME Clearing Repo). These financial liabilities are measured at cost (note 8).

- "Other current financial liabilities — Cash payables pending settlement" includes the differences between the amounts of the asset and liability items of "CCP instruments" and that are available until the settlement of all buy and sell instructions issued for the same theoretical settlement date has been completed. These financial liabilities are measured at fair value (note 8).

In the fiscal years 2022 and 2021 outstanding payments to providers, employees and public authorities arising from the Company's activities were included in the liabilities section of the balance sheet under the heading "Trade and other payables" (notes 13, 14, 15, 16 and 17).

The Company derecognises a financial liability when the obligation is extinguished.

4.5 Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are considered to be denominated in foreign currency and are recognised applying the spot rates of exchange at the dates of the related transactions.

At the end of the fiscal year, monetary items denominated in foreign currencies are converted using the spot exchange rates at the balance sheet date. Exchange gains and losses are recognised directly in the income statement for the reporting period in which they occur under "Exchange rate differences".

The Company did not present significant foreign currency transactions and balances during 2022 and 2021 or as at 31 December 2022 and 2021.

4.6 Income tax

Income tax expense or income comprises the part related to current tax expense or income and the part corresponding to deferred tax expense or income.

Current tax is the amount that the Company pays as a result of tax settlements of income tax related to a fiscal year. Deductions and other tax advantages in the tax rate, excluding withholdings and payments on account, as well as compensable tax losses from previous years and effectively applied in the current year, result in a lower amount of current tax.

Deferred tax expense or income corresponds to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences that are identified as amounts that are expected to be payable or recoverable derived from differences between the carrying amounts of assets and liabilities and their fiscal value, as well as negative taxable bases pending compensation and credits arising from tax deductions not applied in a taxable manner. These amounts are recorded by applying the temporary or accrued difference or credit to the rate of the levy at which they are expected to be recovered or settled.

On 16 February 2016, the Resolution of 9 February 2016 of the Spanish Institute of Accounting and Account Auditing (ICAC) was published in the Official State Gazette (BOE), which developed the standards for registrations, measurement and preparation of annual accounts for the accounting of the income tax. The resolution constituted the regulatory development of the recognition and measurement criteria established in the General Accounting Plan and replaced the previous resolutions on this matter issued by ICAC.

This resolution introduced certain amendments, such as the revision of the criteria for the recognition of deferred tax assets, removing the requirement that tax loss carryforwards or other tax assets that are estimated to be recovered more than ten years after the closing date, or the deferred tax liabilities related to the deductibility of losses arising from impairment of goodwill or its systematic amortisation, are not to be capitalised. The resolution also clarified the criteria to be followed in accounting for corporate income tax expense in the individual financial statements of the companies that pay tax under a special tax consolidation regime, regardless of any agreements on tax burden sharing which may have been reached between these Group companies. The policy followed by the Bolsas y Mercados Españoles Group in relation to the distribution of the resulting consolidated corporate income tax is to distribute the consolidated income tax burden in proportion to the individual taxable bases of each company within the tax group. Therefore, the above-mentioned resolution has not had a significant impact on the Company. The consolidated tax receivable attributable to the Company, net of payments on account and withholdings, which represents a debt with Bolsas y Mercados Españoles, is recognised in the balance sheet under “Short-term investments in Group companies and associates” (notes 13 and 17).

Royal Decree-Law 3/2016, of 2 December, adopting tax measures aimed at consolidating public finances and other urgent measures in the social domain, was published in the Official State Gazette on 3 December 2016. In regard to corporate income tax, this Royal Decree includes the following measures, applicable for fiscal years beginning on or after 1 January 2016:

- Restriction on the use of tax loss carryforwards: the use of tax loss carryforwards from previous years for large companies (with turnover of more than EUR 60 million) is limited to 25% of taxable income.

- Limits on deductions for double taxation: A new limit is established for deductions on international or domestic double taxation, generated or pending clearing, of 50% of the full amount for companies with a net turnover of at least EUR 20 million.

- Reversal of impairment losses on investments: The reversal of impairment losses on investments that were tax deductible in tax periods prior to 2013 must be made in equal parts over five periods, at a minimum annual amount.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that affects neither the tax result nor the accounting result and is not a business combination.

On the other hand, deferred tax assets are only recognised to the extent that it is considered probable that the Company will have future taxable profits against which to make them effective.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

At the end of each accounting period, the recorded deferred tax assets are reviewed and appropriate adjustments are made to them where there is doubt as to their future recovery. Likewise, at each closing date, the deferred tax assets not recognised in the balance sheet are assessed and recognised to the extent that it has become probable they will be recovered through future taxable profits.

On 23 December 2002, BME submitted a request to be taxed for corporate income tax under the consolidated tax regime in the consolidated tax group in which it was listed from 1 January 2003 until 31 December 2020 as the parent and integrated company, among others, to the Company. On 1 January 2021, due to the purchase of BME by SIX Group AG in fiscal year 2020 (note 1), BME became the representative body of the consolidated tax group, with SIX Group AG being the non-resident parent entity of the Group.

4.7 Income and expenses

Income and expenses are recognised on an accrual basis, i.e. when the actual flow of goods and services they represent occurs, regardless of when the monetary or financial flow derived from them occurs. Such revenue is measured at the fair value of the consideration received, less any discounts and taxes.

Revenue from the provision of services is recognised in the income statement for the period on an accrual basis in accordance with the tariffs established by the Company (note 16). Specifically:

- Revenue from “Access charges for infrastructures and other facilities” includes the general membership fee and the fees for membership in various contract groups, and, where applicable, fees for inclusion as a clearing member. This item also includes income from the Company’s appointment as clearing house and central counterparty for the purchase and sale of securities admitted to trading on various official secondary markets and multilateral trading and financial derivatives systems, in accordance with agreements signed (note 16).

- Revenue from “Clearing and central counterparty” includes income accrued from the fees received by the Company for the settlement and clearing of futures and options on equities, the IBEX 35® index and other indices, as well as for the settlement and clearing of transactions in fixed-income securities, central counterparty clearing of transactions in equities, OTC interest-rate derivatives, energy derivatives and the maintenance of positions in all segments. This item also includes income from transfers and the creation and release of pledges on securities. The costs and expenses that the Company has incurred arising from the management of settlement incidents described in Circular 5/2016 of the National Securities Market Commission and the corresponding default penalties are charged to the clearing member responsible for the position with respect to which the settlement incident occurred. The costs and expenses are not recognised in the income statement to the extent that the Company is entitled to pass them on. However, the penalties to which the Company is entitled are recognised as income in the income statement under the corresponding heading. This income is accrued and recognised in the income statement when settlement takes place (note 16).

- Income from “IT and consulting” is accrued and recognised in the income statement as the services are rendered (note 16).

The Company earns financial income from its clearing house activities and financial returns on funds provided by market participants as collateral (note 8) recognised in the income statements with a credit (or a charge in the case of a negative return) to “Finance income — Marketable securities and other financial instruments”, which are fully transferred to said members with a charge (or a credit in the case of a negative return) to “Finance expenses — Collateral posted by participants” (note 8). Similarly, when the funds provided are deposited with Banco de España, the amount of the negative interest rate of the deposit facility that Banco de España charges to the Company is recognised in the income statements as a charge to “Finance expenses — Collateral posted by participants” and the transfer of this cost to the members with a credit to “Finance income — Marketable securities and other financial instruments” (note 8).

Interest received on financial assets is recognised using the effective interest rate method. In any event, interest accrued on financial assets after acquisition is recognised as income in the income statement.

4.8 Provisions and contingencies

In the preparation of the financial statements, the Company’s Directors distinguish, where appropriate, between:

a. Provisions: balances payable that cover current liabilities arising from past events, the repayment of which is likely to result in an outflow of resources, but which are indeterminate in terms of their amount and/or time of repayment.

b. Contingent liabilities: possible liabilities arising from past events, whose future materialisation is dependent on the occurrence or non-occurrence of one or more future events that are not within the control of the Company.

c. Contingent assets: possible assets arising from past events, whose existence is conditional and must be confirmed by the occurrence or non-occurrence of events that are not within the control of the Company. Contingent assets are not recognised in the balance sheet or the income statement but are reported in the accompanying notes as long as the increase in resources that incorporate economic benefits is likely to occur as a result.

The financial statements include all the provisions with respect to which it is estimated that the probability of the obligation being met is greater than otherwise. Contingent liabilities are not recognised in the financial statements but are reported in the notes in so far as they are not considered remote.

Provisions are recognised at the present value of the best estimate possible of the amount needed to settle or transfer the liability, taking into account the available information on the event and its consequences, and recording adjustments that arise from the updating of such provisions as a financial expense as it accrues.

Compensation to be received from a third party at the time of settlement of the obligation is recognised as an asset if there is no doubt that such reimbursement will be received unless there is a legal relationship by which part of the risk has been externalised, and as a result, the Company is not obliged to respond. In this situation, the compensation is taken into account in estimating the amount for which the corresponding provision, if any, is to be calculated.

4.9 Termination benefits

Under current legislation, the Company is obliged to pay compensation to employees with whom, under certain conditions, it terminates its employment relationship. Therefore, termination benefits that can be reasonably quantified are, where appropriate, recognised as an expense in the income statement in the year in which the decision to terminate the employment relationship is made, under “Staff costs — Wages, salaries and similar expenses” (note 14).

The expense incurred in connection with the allocations to the provisions for the voluntary redundancy scheme approved by the Directors of the Bolsas y Mercados Españoles Group in 2018, which was limited to a reduced group of employees that met specific characteristics, was recognised by the Company in the income statement under “Staff costs — Wages, salaries and similar expenses” (note 14). The amounts outstanding, if any, are recorded on the liabilities side of the balance sheet at the close of 2022 and 2021 under “Other long-term and short-term employee benefits” (note 12).

As at 31 December 2022 and 2021, except for the aforementioned voluntary redundancy scheme, there was no staff reduction plan that would require the allocation of a provision for this purpose.

4.10 Environmental assets

Environmental assets are assets that are used on a permanent basis in the Company’s activity, whose main purpose is to minimise environmental impact, protect and improve the environment, including the reduction or elimination of future pollution.

Given the activities in which the Company is engaged, it has no liabilities, expenses, assets, provisions, and contingencies of an environmental nature which could be significant in relation to its equity, financial situation and results. For this reason, no specific breakdowns are included in the notes to the financial statements regarding information on environmental issues.

4.11 Pension obligations

i. Post-employment obligations

Post-employment obligations maintained by the Company with its employees are considered “defined-contribution obligations” when predetermined contributions are made to a separate entity (recognised under “Staff costs” in the income statement) without any legal or effective obligation to make additional contributions if the separate entity is unable to pay employee remuneration in relation to the services rendered in the current and previous fiscal years. Post-employment obligations that do not fulfil the above-mentioned requirements are considered “defined-benefit obligations”.

Defined-benefit plans

Under “Long-term provisions” on the liabilities side of the balance sheet, the Company recognises the present value of any defined-benefit post-employment obligations, net of the fair value of the plan assets and the past service cost for which recognition is deferred over time, as explained below.

If the treatment described in the previous paragraph gives rise to an asset, it is recognised in the balance sheet under “Long-term financial investments” up to the limit of the present value of any economic benefits that could be returned to the Company in the form of direct refunds or reductions in future payments, plus the unrecognised past service cost to be recognised in the income statement, if any. Any adjustments to be made to the measurement of an asset related to post-employment benefits are recognised directly in equity as reserves.

“Plan assets” are defined as assets that will be used directly to settle the obligations and that meet the following conditions:

- They are not owned by the Company, but by a legally separate third party that is not a related party of the Bolsas y Mercados Españoles Group.

- They are only available to pay or finance post-employment benefits and cannot be returned to the Company, except when the assets remaining in the plan are sufficient to meet all the obligations of the plan or of the entity related to the benefits of current or past employees, or to reimburse the employee benefits already paid by the Company.

“Past service cost” arising from amendments to existing post-employment benefits or from the introduction of new benefits is recognised in the income statement on a straight-line basis over the period from the time when the new commitments arise to the date on which the employee has the irrevocable right to receive the new benefits.

Post-employment benefits are recognised in the income statement as follows:

- Current service cost (understood to be the increase in the present value of the obligations resulting from the services rendered by employees in the year), including the amortisation of unrecognised past service cost, is recognised in the income statement under “Staff costs — Provisions and other staff costs”.

- Interest expense (understood to be the increase during the year in the present value of the obligations resulting from the passage of time) is recognised in the income statement under “Finance expenses — Provision adjustments”.

- The expected return on the assets allocated to cover the obligations as well as the gains and losses at their value, less the costs of their administration and the taxes affecting them are recognised in the income statement under “Finance expenses — Provision adjustments”.

Actuarial gains and losses are recognised directly in equity as reserves.

The defined-benefit post-employment obligations held by the Company include:

- Retirement bonus commitments in connection with the obligation undertaken by the Company to pay a bonus to employees who leave the Company at the age of 65 because they have applied for retirement.

  The Company has externalised the retirement bonus obligations, using an insurance policy taken out with Aegón España, S.A. de Seguros y Reaseguros as the vehicle.

- Health benefit commitments, understood as the obligation restricted to a specific number of Company employees to take out health insurance to supplement the social security medical coverage. The policy at the Company's expense covers current employees and their beneficiaries, defined as those entitled to health care under the state Social Security scheme under the same social security number as the employee in accordance with the social security legislation in force, and those retiring after this agreement comes into effect and their beneficiaries (as defined above, as well as those who become widows/widowers and orphans after the agreement comes into force and who are also designated beneficiaries of the policyholder).

4.12 Related-party transactions

The Company performs all its transactions with related parties on an arm's length basis. In addition, the transfer prices are adequately supported and the Company's Directors therefore consider that there are no significant risks in this regard that could give rise to significant liabilities in the future (note 17).

4.13 Cash flow statements

The following terms are used in the statements of cash flows with the meanings specified:

- Cash flows are inflows and outflows of cash and cash equivalents.

- Operating activities are the activities which constitute the principal revenue-producing activities of the Company, as well as other activities that cannot be classified as investment or financing activities.

- Investment activities are the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities are activities that result in changes in the size and composition of equity and loans taken out by the Company.

To prepare the statements of cash flows, the cash flows from operating activities generated by short-term financial investments and liabilities from transactions (notes 4.4. and 8) are included in the cash flow statement at their net value.

Also, for the purposes of preparing the statements of cash flows, "Cash and cash equivalents" are understood to be short-term highly liquid investments that are subject to an insignificant risk of changes in value, and which do not constitute short-term financial investments from transactions (notes 4.4. and 8).

4.14 Statements of changes in equity

The statements of changes in equity presented in these financial statements show the total changes in equity during the year. This information is presented in two statements: the statement of recognised income and expenses, and the statement of total changes in equity. The main features of the information contained in each is explained below:

Statements of recognised income and expenses

This part of the statement of changes in equity presents the income and expenses generated by the Company as a result of its activity during the year, distinguishing between those recorded as profit or loss in the income statement for the year and other income and expenses recorded directly in equity in accordance with the provisions of the regulations in force.

Therefore, this statement presents, where applicable:

a. Profit or loss from the income statement

b. Income and expenses that must be recognised directly in the Company's equity as required by the measurement standards

c. Transfers to the income statement, if any, in accordance with the measurement rules adopted

d. The tax effect, if any, corresponding to letters (b) and (c) above

e. Total recognised income and expenses, calculated as the sum of the above letters

Statement of total changes in equity

This part of the statement of changes in equity shows all changes in equity, including, where appropriate, those resulting from changes in accounting policies and corrections of errors. Therefore, this statement presents a reconciliation of the carrying amount at the beginning and end of the year of each component of equity, with changes grouped by their nature in the following items:

a. "Adjustments for changes in accounting policies and adjustments for errors" includes, if any, changes in equity arising from the retrospective restatement of financial statement balances due to changes in accounting policies or from the correction of errors.

b. "Total recognised income and expenses" is the aggregate of the items included in the statement of recognised income and expenses above.

c. Transactions with shareholders: changes in equity due to dividend payments, capital increases (decreases), share-based payments, etc.

d. Other changes in equity: the remaining items recognised in equity, such as distribution of profit or loss, transfers between equity items and any other increase or decrease in equity.

4.15 Current/non-current items

Current assets are considered to be those linked to the normal operating cycle, which is generally considered to be one year, as well as other assets whose maturity, disposal or realisation are expected to occur in the short term from the closing date of the fiscal year, and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current.

Similarly, liabilities associated with the normal operating cycle and, in general, all liabilities whose maturity or extinction will occur in the short term are classified as current liabilities. Otherwise, they are classified as non-current.

5. Intangible assets

The changes under this balance sheet heading in 2022 and 2021 were as follows:

Item	Thousands of euros		
	Computer applications		
	Developed internally	Acquired	Total
Cost:			
Balances at 1 January 2021	**6,030**	**1,921**	**7,951**
Additions	1,099	18	1,117
Disposals	-	-	-
Balances at 31 December 2021	**7,129**	**1,939**	**9,068**
Additions	1,678	120	1,798
Disposals	-	-	-
Balances at 31 December 2022	**8,807**	**2,059**	**10,866**
Accumulated depreciation:			
Balances at 1 January 2021	**(5,321)**	**(1,920)**	**(7,241)**
Allocations	(449)	(4)	(453)
Disposals	-	-	-
Balances at 31 December 2021	**(5,770)**	**(1,924)**	**(7,694)**
Allocations	(76)	(29)	(105)
Disposals	-	-	-
Balances at 31 December 2022	**(5,846)**	**(1,953)**	**(7,799)**
Intangible assets, net:			
Net balances at 31 December 2021	1,359	15	1,374
Net balances at 31 December 2022	3,037	30	3,067

All additions to internally developed software in 2022 and 2021 were recognised in the income statement with a credit to “Own work capitalised” and are developments made to provide new services (clearing of currency futures).

Fully amortised items of intangible assets still in use amounted to EUR 7,503,000 at 31 December 2022 (the same amount as that recorded for this item at 31 December 2021).

No impairment losses were identified in 2022 and 2021 that would affect these items in the balance sheet.

6. Property, plant and equipment

The changes under this balance sheet heading in 2022 and 2021 were as follows:

	Thousands of euros		
	Facilities and furniture	Information technology equipment	Total
Cost:			
Balances at 1 January 2021	**103**	**697**	**800**
Additions	-	64	64
Disposals	(66)	(51)	(117)
Balances at 31 December 2021	**37**	**710**	**747**
Additions	-	43	43
Disposals	(2)	(40)	(42)
Balances at 31 December 2022	**35**	**713**	**748**
Accumulated depreciation:			
Balances at 1 January 2021	**(87)**	**(667)**	**(754)**
Allocations	(3)	(29)	(32)
Disposals	66	51	117
Balances at 31 December 2021	**(24)**	**(645)**	**(669)**
Allocations	(3)	(31)	(34)
Disposals	2	40	42
Balances at 31 December 2022	**(25)**	**(636)**	**(661)**
Material assets, net:			
Net balances at 31 December 2021	13	65	78
Net balances at 31 December 2022	10	77	87

As of 31 December 2022, fully depreciated property, plant and equipment in use decreased to EUR 576,000 (EUR 594,000 at 31 December 2021).

No impairment losses were identified in 2022 and 2021 that would affect these items in the balance sheet.

In 2022, disposals of information technology equipment and facilities amounted to EUR 42,000 (in 2021, disposal of information technology equipment and facilities amounted to EUR 117,000). This includes fully depreciated items that had ceased to be useful for the Company’s activities.
The Company has arranged insurance policies to cover the possible risks to which the various components of its property, plant and equipment are subject.

7. Long-term financial investments

The breakdown of the item “Long-term financial investments” at the end of the 2022 and 2021 fiscal years is as follows:

Category \ Class	Thousands of euros	
	Other financial assets	
	2022	2021
Financial assets at amortised cost	330	284
	330	**284**

At 31 December 2022 and 2021, “Financial assets at amortised cost” included the amounts of cash posted by the Company as collateral for the Organised Gas Market (Mercado Ibérico del Gas) (note 1) and lease deposits (notes 4.3 and 17) as well as assets arising from the measurement of defined-benefit post-employment obligations (retirement bonuses) (note 12).

8. Short-term financial investments (Group and transactions) and short-term financial liabilities (transactions)

a) Short-term financial investments (Group and transactions)

i. Breakdown

At the end of the 2022 and 2021 fiscal years, the breakdown of this balance sheet heading by classification, origin, currency and type of transactions at the close of 2022 and 2021 was as follows:

	Thousands of euros			
	2022		2021	
	Group	Transactions	Group	Transactions
Classification for measurement:				
Financial assets at fair value with changes in profit and loss	-	8,010,027	-	9,438,479
Financial assets at amortised cost	5,389	3,577,826	5,562	3,753,098
	5,389	**11,587,853**	**5,562**	**13,191,577**
Source and classification for presentation:				
Short-term financial investments (Group)	5,389	-	5,562	-
Short-term financial investments (transactions)				
Collateral posted by participants	-	3,577,821	-	3,753,088
Financial instruments in CCP	-	7,611,059	-	8,908,349
Balances receivable pending settlement	-	398,968	-	530,130
Cash withheld pending settlement	-	-	-	10
Cash receivables pending settlement	-	5	-	-
	5,389	**11,587,853**	**5,562**	**13,191,577**
Currency:				
Euro	5,389	11,587,853	5,562	13,191,577
Other currencies	-	-	-	-
	5,389	**11,587,853**	**5,562**	**13,191,577**
Type:				
Financial instruments in CCP				
Options in CCP	-	100,135	-	113,028
Fixed-income securities in CCP (BME Clearing Repo)	-	6,914,923	-	8,490,854
Equity securities in CCP	-	596,001	-	304,467
Other financial assets				
Reverse repurchase agreements	-	-	-	-
Deposits with credit institutions	5,389	3,577,821	5,562	3,753,098
Receivables pending settlement — derivatives transactions	-	398,968	-	530,130
Cash receivables pending settlement	-	5	-	-
	5,389	11,587,853	5,562	13,191,577
Less impairment losses	-	-	-	-
Total financial assets	**5,389**	**11,587,853**	**5,562**	**13,191,577**

ii. Short-term financial investments (Group)

The total balance of this category at 31 December 2022 and 2021 relates to the collateral amount required by Banco de España from the Company made in a blocked current account with Banco de España to ensure that payments are made immediately in the event of a cash settlement failure. Banco de España calculates this collateral quarterly, adjusting the blocked amount in the current account with the same frequency.

The amount of the negative interest rate of the deposit facility that Banco de España charged to the Company in 2022 amounted to EUR 112,000 (EUR 161,000 at 31 December 2021) and was recognised in the income statement under "Finance expenses — Debts to third parties".

iii. Short-term financial investments (transactions)

a) Financial instruments in CCP

The breakdown of the options, equity securities and fixed-income securities items (transactions in BME Clearing Repo) at the close of each month for which the Company acted as CCP in 2022 and 2021 (the items of these financial assets match the corresponding items of financial liabilities in note 8.b) is as follows:

	Thousands of euros							
	2022				2021			
	Fixed-income securities in CCP (BME Clearing Repo)	Options in CCP	Equity securities in CCP	Total	Fixed-income securities in CCP (BME Clearing Repo)	Options in CCP	Equity securities in CCP	Total
January	4,682,387	113,235	991,635	5,787,257	6,253,956	243,530	891,451	7,388,937
February	5,516,761	128,045	1,696,207	7,341,013	6,726,777	229,125	1,423,268	8,379,170
March	6,864,730	140,299	1,071,034	8,076,063	7,938,481	185,452	1,319,434	9,443,367
April	8,440,505	136,323	1,136,137	9,712,965	6,348,847	182,950	1,023,809	7,555,606
May	6,600,651	137,843	1,941,166	8,679,660	6,533,673	164,186	1,067,548	7,765,407
June	7,635,278	140,758	923,982	8,700,018	12,032,320	158,859	978,543	13,169,722
July	6,876,626	132,108	1,362,459	8,371,193	7,235,890	172,506	878,278	8,286,674
August	5,548,620	155,611	857,531	6,561,762	6,019,205	140,841	792,085	6,952,131
September	7,306,843	218,098	779,905	8,304,846	5,417,274	151,848	1,043,375	6,612,497
October	7,835,259	159,136	846,297	8,840,692	6,808,352	131,027	1,252,756	8,192,135
November	7,890,240	135,875	1,681,644	9,707,759	8,497,433	158,839	1,810,127	10,466,399
December	6,914,923	100,135	596,001	7,611,059	8,490,854	113,028	304,467	8,908,349

b) Balances receivable pending settlement

This item includes the balances receivable pending settlement (settled the next day with each clearing member) of daily option transactions in the amount of EUR 59,000 and EUR 117,000 at 31 December 2022 and 2021, respectively, of the daily settlement of losses and gains arising on futures, and of the outstanding variation margin for energy derivatives totalling EUR 398,909,000 and EUR 530,013,000 at 31 December 2022 and 2021, respectively.

c) Collateral posted by participants

The maturities and average returns on the assets included in the balance sheet under “Collateral posted by participants” at 31 December 2022 and 2021 are as follows:

	Thousands of euros				Average interest rate
	Up to 1 month	Between 1 and 3 months	Between 3 12 months	Total	
31 December 2022					
Current accounts in Banco de España	3,577,821	-	-	3,577,821	
	3,577,821	**-**	**-**	**3,577,821**	2.00%
31 December 2021:					
Current accounts in Banco de España	3,753,099	-	-	3,753,099	
	3,753,099	**-**	**-**	**3,753,099**	0.07%

The collateral posted by members in the current account with Banco de España in the period from 1 January 2022 to 20 July 2022 generated negative interest, charged by Banco de España in the amount of EUR 10,376,000 (EUR 14,878,000 in 2021), equivalent to the negative interest rate of the deposit facility, which was recognised in the income statement with a charge to “Finance expenses — Collateral posted by participants”. The charges were passed on to members (for the same amount) and recognised in the income statement with a credit to “Finance income — Marketable securities and other financial instruments — Third parties” (note 4.7).

The collateral posted by members in the current account with Banco de España from 21 July 2022 to 31 December 2022 generated positive interest credited by Banco de España in the amount of EUR 13,226,000 (no amount in 2021), recognised in the income statement under “Finance income — Marketable securities and other financial instruments — Third parties” and passed on in full to said members with a credit to the item “Finance expenses — Collateral posted by participants”. The transfer to members (for the same amount) was recognised in the income statement with a credit to “Finance income — Marketable securities and other financial instruments — Third parties” (note 4.7).

d) Cash withheld pending settlement

The balance of this account, amounting to EUR 10,000 at 31 December 2021 (no amount at 31 December 2022) includes a financial asset equivalent to the cash amounts temporarily controlled or withheld by the Company for the cash differences on the failed instructions pending settlement in which the CCP is involved (section 8.b).

e) Cash receivables pending settlement

The balance of this account amounting to EUR 5,000 at 31 December 2022 (no amount for this item at 31 December 2021) includes a financial asset corresponding to the cash temporarily withheld in the settlement process due to the intermediary role of BME Clearing in all buy and sell instructions for equity and fixed-income securities (transactions in BME Clearing Repo) (section 8b).

b) Short-term financial liabilities (transactions)

The breakdown of this balance sheet heading by classification, origin, currency and type of transactions is as follows:

	Thousands of euros	
	2022	2021
Classification for measurement:		
Financial liabilities at fair value with changes in profit and loss	8,010,027	9,438,479
Financial liabilities at amortised cost	3,577,821	3,753,098
	11,587,848	**13,191,577**
Source and classification for presentation:		
Short-term financial liabilities (transactions)		
Collateral posted by participants	3,577,821	3,753,088
Financial instruments in CCP	7,611,059	8,908,349
Balances payable pending settlement	398,968	530,130
Withheld cash payables pending settlement	-	10
	11,587,848	**13,191,577**
Currency:		
Euro	11,587,848	13,191,577
Other currencies	-	-
	11,587,848	**13,191,577**
Type:		
Derivatives		
Options in CCP	100,135	113,028
Fixed-income securities in CCP (BME Clearing Repo)	6,914,923	8,490,854
Equity securities in CCP	596,001	304,467
Other financial liabilities		
Collateral	3,577,821	3,753,088
Payables pending settlement of daily options and futures transactions	398,968	530,130
Withheld cash payables pending settlement	-	10
Total financial liabilities	**11,587,848**	**13,191,577**

The Directors consider that the carrying amounts of the balances under “Short-term financial liabilities (transactions)” in the balance sheet approximate their fair value.

The residual maturity of “Short-term financial liabilities (transactions)”, with the exception of fixed-income securities, equity and options held in CCP, changes daily depending on the market positions maintained by their holders.

9. Information on the nature and risk exposure of financial instruments

i. Information regarding the nature and level of risk of financial instruments

As described in note 1, the Company is part of the Bolsas y Mercados Españoles Group and subject to its risk control and management policies. The Risk and Continuity Committee of Bolsas y Mercados Españoles is responsible for the monitoring and analysing of the risks arising from the various activities carried out by Group companies in the framework of a management scheme coordinated through business units and corporate areas, as described in note 23 to the consolidated financial statements of the Bolsas y Mercados Españoles Group for the year ended 31 December 2022 authorised for issue by its Board of Directors at the meeting held on 27 February 2023.

A detailed explanation of the extent of Company's exposure to its principal business risks and how it manages those risks in accordance with Regulation (EU) No 648/2012 of the European Parliament and Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (the "EMIR Regulation") and its implementing regulations (Commission Delegated Regulations (EU) No 152/2013 and No 153/2013) is included in the management report of the accompanying annual accounts.

The main financial risks to which the Company is exposed are discussed below:

a. Exposure to credit risk:

The Company's main financial assets are reverse repurchase agreements and deposits with credit institutions (or deposits with central banks), cash balances and trade and other receivables, which represent the Company's maximum exposure to credit risk in relation to financial assets.

The credit risk associated with reverse repurchase agreements, deposits with credit institutions and liquid funds is minimal, since the counterparties are banks that have been assigned adequate ratings by international credit rating agencies. Investment risk, as detailed in the management report of these annual accounts, or the risk that the CCP's counterparty in the investment of the CCP's cash collateral or capital defaults, is mitigated by executing a highly conservative investment policy in accordance with Article 47 of the EMIR Regulation, which places priority on security of the investment over profitability at all times.

The Company operates as a CCP for derivative instruments, equity transactions and government debt repos, therefore, it incurs counterparty risk. It hedges this risk by managing the collateral required of all market participants based on a sophisticated system of measurement and control of open positions that enables it to request additional collateral depending on the day-to-day activity of members in real time, under the terms set out in its Regulation and Circulars and the legislation in force.

The Company does not have a significant concentration of credit risk.

b. Exposure to liquidity risk:

It is the risk that the Company will not have sufficient funds available to meet the payment obligations of a defaulting member. In accordance with Article 44 of the EMIR Regulation, the Company has a liquidity plan approved by the Board of Directors that sets out the mechanisms to ensure that the CCP has access to adequate financial resources to cover its liquidity needs in any circumstances.

Moreover, to ensure its liquidity and ability to meet the payment obligations arising from its activity, the Company maintains the cash reported in the balance sheet (note 10).

c. Exposure to market risk (including interest rate risk, currency risk and other price risk):

As indicated above, given that the portfolio of financial assets consists mainly of reverse repos (with government debt as the underlying asset), exposure to interest rate risk is minimal as the maturities are very short, allowing the yield to be quickly adjusted to changes in interest rates. Meanwhile, the lack of external financing or financial liabilities implying a financial burden means the Company is not exposed to risks in interest rates that could erode its margins or require a specific hedging policy.

The Company does not hold any financial instruments in foreign currency.

d. Exposure to other market risks:

The risks and uncertainties faced by the Company in achieving its objectives derive mainly from the changes in the volume of activity in the markets in which it obtains its main income.

Experience shows that financial markets are subject to cycles of varying duration and intensity, which have a significant influence on the reported activity. Additionally, as the Company operates in a highly regulated sector, any changes in the regulatory framework could affect the Company's ability to improve its results.

ii. Quantitative data

a. Credit risk:

The concentration of credit risk is not significant as the Company's exposure is distributed among a large number of customers.

The Company had no customer balances subject to impairment at 31 December 2022 and 2021 (note 15).

b. Interest rate risk:

Details of the carrying amounts of financial assets grouped by maturity from shortest to longest, as well as the effective interest rates for assets that accrue a determinable effective interest rate, are provided in notes 8 and 10.

c. Exchange rate risk:

At 31 December 2022 and 2021, the Company had no balances receivable or payable in respect of transactions denominated in foreign currencies.

10. Cash and cash equivalents

The item “Cash and cash equivalents” includes demand deposits with banks (recognised under “Cash”) and financial instruments that are convertible to cash and have a maturity of three months or less at the date of acquisition, provided that there is no significant risk of changes in value and that they form part of the Company’s usual cash management policy. The latter assets are included under “Cash equivalents”:

	Thousands of euros	
	2022	2021
Classification:		
Cash		
Demand current accounts	28,369	50,089
Other cash equivalents	20,010	-
	48,379	**50,089**
Less impairment losses	-	-
Net balance	**48,379**	**50,089**

The carrying amount of these assets is similar to their fair value.

The item “Finance expenses — Debts to third parties” in 2022 included the amount of the negative interest rate charged to the Company for current account balances of EUR 78,000 (2021: EUR 123,000).

Current accounts accrue the market interest rate for this type of account.

11. Equity

Breakdown and changes in items included in “Equity” in the balance sheet for the years 2022 and 2021 were as follows:

	Thousands of euros							
	Capital	Legal and statutory reserves	Other reserves	Other equity holder contributions	Profit/(loss) for the year	Interim dividend	Total (*)	Final dividend
Balances at 31 December 2020	**18,030**	**3,606**	**21,816**	**1,822**	**9,892**	**-**	**55,166**	**-**
Distribution of 2020 profit/(loss)	-	-	9,892	-	(9,892)	-	-	-
Profit/(loss) for 2021	-	-	-	-	8,217	-	8,217	-
Interim dividend from profit in 2021 (note 3)	-	-	-	-	-	(7,681)	(7,681)	-
Actuarial gains and losses (note 12)	-	-	128	-	-	-	128	-
Other equity holder contributions (note 14)	-	-	-	-	-	-	-	-
Balances at 31 December 2021	**18,030**	**3,606**	**31,836**	**1,822**	**8,217**	**(7,681)**	**55,830**	-
Distribution of 2021 profit/(loss)	-	-	-	-	(8,217)	7,681	(536)	536
Profit/(loss) for 2022	-	-	-	-	8,241	-	8,241	-
Interim dividend from profit in 2022 (note 3)	-	-	-	-	-	(8,241)	(8,241)	-
Distribution of dividends	-	-	(452)	-	-	-	(452)	-
Actuarial gains and losses (note 12)	-	-	288	-	-	-	288	-
Other equity holder contributions (note 14)	-	-	-	-	-	-	-	-
Balances at 31 December 2022	**18,030**	**3,606**	**31,672**	**1,822**	**8,241**	**(8,241)**	**55,130**	**536**

(*) In accordance with Article 35 of Regulation (EU) No 153/2013 with regard to regulatory technical standards on requirements for central counterparties, the specific own resources included in “Equity” at 31 December 2022 amounted to EUR 6,000,000 as set out in the Company’s Specific Own Resources Circular (EUR 5,500,000 at 31 December 2021).

Registered capital

At 31 December 2022 and 2021, the Company's share capital amounted to EUR 18,030,000 and consisted of 3,000,000 fully subscribed and paid up ordinary registered shares of EUR 6.01 par value each. All shares representing share capital have the same rights and are not listed on the stock exchange.

The sole shareholder of the Company at 31 December 2022 and 2021 was Bolsas y Mercados Españoles Sociedad Holding de Mercados y Sistemas Financieros, S.A — Sociedad Unipersonal. The Company is, therefore, subject to the regime governing single-member companies. It has disclosed its single member status to the Commercial Registry. Under this regime, the Company must disclose in the notes to the financial statements, inter alia, agreements with its sole shareholder. In this respect, in early 2014, the Company entered into an agreement with BME to oversee the handling of personal data following the launch of the whistleblowing channel of the crime prevention system. In 2016, the Company also signed an agreement with BME to provide management and administration support services for the Company (note 15), and a contract for personal data processing in relation to human resource management.

Article 16 of the EMIR Regulation, along with its implementation in Commission Delegated Regulation (EU) No 152/2013 and Article 35 of Commission Delegated Regulation (EU) No 153/2013, sets out minimum capital requirements (i.e. capital plus retained earnings and reserves) of a CCP. These requirements include an initial, permanent and available capital of at least EUR 7,500,000 and requirements based on gross annual operating costs, average income over the last three years, a calculation of credit, counterparty and market risks not covered by specific financial resources and a 10% safety margin. In addition, Article 35 of Delegated Regulation (EU) 153/2013 requires that 25% of the resulting minimum capital be held as specific own funds to be used in the application of the default waterfall.

At 31 December 2022 and 2021, the Company comfortably complied with the aforementioned requirements.

Legal reserve

Under the Corporate Enterprises Act, an amount equal to 10% of the profit for the year must be earmarked for the legal reserve until such reserve represents at least 20% of share capital.

The legal reserve may be used to increase the capital to the extent of its balance in excess of 10% of the already increased capital. Except as stated above, until the legal reserve exceeds 20% of the share capital, it may only be used to offset losses if there are insufficient other reserves available for this purpose.

At year-end 2022 and 2021, this reserve was available in its entirety.

Other reserves and other equity holder contributions

Other reserves and other equity holder contributions are freely available.

In its meeting of 14 December 2022, the Company's Board of Directors agreed to distribute an extraordinary dividend out of freely available reserves in the amount of EUR 452,000, which was paid before the close of the fiscal year.

12. Long-term and short-term provisions

The breakdown of this balance sheet item at the end of the 2022 and 2021 fiscal years and the main changes during these years are as follows:

	Thousands of euros				
	Pension obligations (note 4.11)		Other long-term employee benefits (note 4.9)	Other short-term employee benefits (note 4.9)	Total
	Retirement bonuses	Health benefits (1)			
Balances at 1 January 2021	**87**	**193**	**82**	**-**	**362**
Net allocation with a charge to profit or loss (note 13)	62	16	-	-	78
Net allocation (release) with a charge (credit) to Equity (note 11)	(106)	(22)	-	-	(128)
Transfers (note 17)	(5)	52	(24)	24	47
Amounts used	(14)	-	(32)	-	(46)
Balances at 31 December 2021	**24**	**239**	**26**	**24**	**313**
Net allocation with a charge to profit or loss (notes 13 and 19)	54	14	149	-	217
Net allocation (release) with a charge (credit) to Equity (note 11)	(101)	(187)	-	-	(288)
Transfers (note 17)	-	-	(23)	23	-
Amounts used	(24)	-	-	(24)	(48)
Balances at 31 December 2022	**(47)**	**66**	**152**	**23**	**194**

(1) Net allocations recognised in profit or loss for the provision of health benefits in 2022 and 2021 relate to the service cost in the current period amounting to EUR 12,000 and EUR 15,000, respectively (note 14), and interest cost amounting to EUR 1,000 and EUR 2,000, respectively.

The item “Staff costs — Wages, salaries and similar expenses” includes the expenses corresponding to the allocations to the provisions for the voluntary redundancy scheme approved by the Bolsas y Mercados Españoles Group’s Directors in 2018, which was restricted to a reduced group of employees in the technology area that met specific characteristics. The amounts outstanding, if any, are presented in the balance sheet at the close of 2022 and 2021 in the liabilities section under “Other long-term employee benefits”.

Additionally, the item “Short-term provisions” recognises provisions for employee benefits amounting to EUR 23,000 at 31 December 2022 (EUR 24,000 at 31 December 2021).

Long-term employee benefit obligations

The Company measured the present value of pension obligations (note 4.11) using the following criteria:

- “Projected credit unit” calculation method, which sees each year as giving rise to an additional unit of benefit entitlement and measures each unit separately.

- Unbiased and mutually compatible actuarial assumptions. In general, the most important actuarial assumptions used in the calculations are as follows:

	Retirement bonuses		Health benefits	
	2022	2021	2022	2021
Discount rate	3.50%	0.73%	3.50%	0.79%
Mortality table	PER2020 col 1st order	PER2020 col 1st order	PER2020 col 1st order	PER2020 col 1st order
Retirement age	65 years	65 years	65 years	65 years
Expected return on plan assets	3.50%	0.73%	-	-
Benefit growth rate	-	-	3.50%	3.5%

- Discount rate: The Company determined the discount rate by reference to profitability at the end of the year on high credit quality corporate bond or corporate debenture issues that match the currency and estimated payment term for the payment of benefits. Specifically, the Company used the profitability of the Markit iBoxx € Corporates AA index.

Long-term employee benefit obligations (retirement bonuses)

The amounts recognised in the income statement for long-term defined-benefit obligations in respect of retirement bonuses were as follows:

Long-term employee benefit obligations for: Retirement bonuses	Thousands of euros	
	2022	2021
Current service cost (note 14)	50	56
Interest costs	5	2
Expected return on insurance contracts	(4)	(2)
Past service cost (note 14)	3	6
	54	**62**

The change in the present value of the long-term defined-benefit obligations is as follows:

Long-term employee benefit obligations for: Retirement bonuses	Thousands of euros	
	2022	2021
Present value of obligations at beginning of year	662	740
Current service cost	50	56
Interest costs	5	2
Past service cost	(6)	-
Benefits paid	(28)	(50)
Transfers	-	(18)
Actuarial (gains)/losses	(329)	(68)
Present value of obligations at end of year	**354**	**662**

The change in the present value of insurance policies linked to long-term defined-benefit obligations was as follows:

Long-term employee benefit obligations for: Retirement bonuses	Thousands of euros	
	2022	2021
Fair value of insurance policies linked to pensions at beginning of year	607	612
Expected return on insurance contracts	4	2
Actuarial gains/(losses)	(228)	42
Transfers	-	(13)
Benefits paid and others	(32)	(74)
Premiums paid	28	38
Fair value of insurance policies linked to pensions at end of year	**379**	**607**

The situation of long-term defined-benefit obligations at 31 December 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Present value of obligations	354	662
Less		
Fair value of plan assets	(379)	(607)
Unrecognised past service cost	(22)	(31)
Balance based on the balance sheet	**(47)**	**24**

13. Public authorities and tax status

a) Consolidated tax group

The Company files corporate income tax returns under the consolidated tax regime. Under the effective tax legislation that has been in force since 1 January 2021, the Consolidated Tax Group includes Bolsas y Mercados Españoles as the representative body of the non-resident parent entity, SIX Group AG (note 4.6), and all the companies in the scope of consolidation as subsidiaries except Sociedad Rectora de la Bolsa de Valores de Bilbao, S.A.U., BME LATAM SAS (formerly BME Soporte Local Colombia S.A.S.), LATAM Exchanges Data, Inc., Regis-TR, S.A., Regis-TR UK, Ltd, LATAM Exchanges Data México, S.A. de C.V. and, additionally, SIX Financial Information España, S.A.U.

At its meeting on 17 December 2014, the Board of Directors of Bolsas y Mercados Españoles unanimously agreed to adopt the Special Companies Group System for Value Added Tax, exercising the option provided for in Article 163 sexies, Five of Law 37/1992 effective from 1 January 2015. Subsequently, on 29 December 2014, Bolsas y Mercados Españoles applied to pay tax under the Special System, in which it is listed as the parent company with the following subsidiaries: the Company, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U., Sociedad de Bolsas, S.A., BME Clearing S.A.U., MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A.U., Bolsas y Mercados Españoles Sistemas de Negociación, S.A. y Bolsas y Mercados Españoles Market Data, S.A.

Effective from 1 January 2017, the following companies were incorporated into the aforementioned Special System: Sociedad Rectora de la Bolsa de Valores de Madrid, S.A.U., Sociedad Rectora de la Bolsa de Valores de Barcelona, S.A.U., Sociedad Rectora de la Bolsa de Valores de Valencia, S.A.U., Bolsas y Mercados Españoles Renta Fija, S.A.U. and BME Post Trade Services, S.A.U. Effective 1 January 2020, Bolsas y Mercados Españoles Servicios Corporativos, S.A was incorporated into the aforementioned Special System. Additionally, effective 1 January 2022, Bolsas y Mercados Españoles Group Services, S.A.U., was incorporated into the aforementioned Special System. Furthermore, effective 1 January 2023, Bolsas y Mercados Españoles Inntech, S.A.U was incorporated into the aforementioned Special System.

Under this Special System, the Company recognised under "Short-term investments in Group companies and associates" a debit balance with Bolsas y Mercados Españoles corresponding to the result of VAT settlement, totalling EUR 84,000 at 31 December 2022 (EUR 221,000 at 31 December 2021) (note 17).

b) *Balances with public authorities*

Receivables from and payables to public authorities at 31 December 2022 and 2021 were as follows:

	Thousands of euros	
	2022	2021
Non-current assets:		
Deferred tax assets	193	144
	193	**144**
Current assets:		
Current tax assets	-	414
	-	**414**
Current liabilities:		
Trade and other payables — Other payables		
Social Security institutions, payables	100	104
Taxation authorities, withholding income tax	971	163
	1,071	**267**

c) *Reconciliation of accounting profit to taxable income*

The reconciliation of accounting profit to taxable income for income tax is as follows:

	Thousands of euros	
	2022	2021
Accounting profit before tax	11,544	10,964
Permanent differences:		
Non-deductible costs	17	-
Retirement bonuses	-	27
Temporary differences:		
Arising in the year		
Long-term employee benefit obligations (note 14)	217	78
Other	37	34
Arising in prior years		
Long-term employee benefit obligations	(52)	(84)
Other	(1)	(1)
Taxable income	**11,762**	**11,018**

d) Taxes recognised in equity

No taxes were recognised in equity in 2022 and 2021.

e) Reconciliation of taxable income to income tax expense

The reconciliation between taxable income and income tax expense in 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Taxable income	**11,762**	**11,018**
At tax rate of 25%	2,940	2,755
Impact of temporary differences	(51)	(7)
Deductions		
Other	-	-
Positive adjustments to corporate income tax	414	(1)
Total tax expense recognised in the income statement	**3,303**	**2,747**

The amount receivable attributable to the Company amounting to EUR 2,940,000 (EUR 2,755,000 at 31 December 2021) net of withholdings and payments on account made by the Company in 2022 in the amount of EUR 3,626,000 (EUR 2,463,000 in 2021) was recognised at 31 December 2022 under "Short-term investments in Group companies and associates" for EUR 686,000 (payable amount of EUR 292,000 in 2021 was registered under the item "Short-term payables to Group companies and associates") (note 17).

f) Breakdown of income tax expense

The breakdown of income tax expense is as follows:

	Thousands of euros	
	2022	2021
Current tax:		
Continuing operations	2,940	2,755
	2,940	**2,755**
Deferred tax:		
Continuing operations	363	(8)
	363	**(8)**
Total tax expense	**3,303**	**2,747**

g) Recognised deferred tax assets

The details of the balance of this item at the end of 2022 and 2021 are as follows:

	Thousands of euros	
	2022	2021
Temporary differences:		
Long-term employee benefit obligations	191	150
Other	2	(6)
Total deferred tax assets	**193**	**144**

The deferred tax assets indicated above were recognised in the balance sheet as the Company's Directors considered that, based on the best estimate of the Company's future earnings, it is probable that these assets will be recovered.

At 31 December 2022 and 2021, there were no other tax loss carryforwards or deferred tax assets that had not been recognised.

h) Years open for inspection and tax audit

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute of limitations has expired. At 31 December 2022, the Company had all transactions carried out over the last four years open for inspection by the tax authorities in respect of the applicable taxes.

Due to the different possible interpretations of tax regulations applicable to the Company's transactions, any inspections carried out by the tax authorities for the years subject to verification could result in contingent tax liabilities, the amount of which cannot be objectively quantified. Nonetheless, the Company's Directors consider the possibility of significant contingent liabilities arising from future inspections to be remote and, in any event, that the resulting tax liability would not have a material impact on the Company's financial statements.

14. Staff costs

The breakdown of the balance of this item in the accompanying income statement is as follows:

	Thousands of euros	
	2022	2021
Wages, salaries and similar expenses	5,006	5,945
Social security contributions	992	996
Provisions and other staff costs	283	353
	6,281	**7,294**

The item "Wages, salaries and similar expenses" does not include any amount for 2022 relating to employee benefits (EUR 1,080,000 in 2021).

At 31 December 2022, remunerations payable to employees in the wages and salaries item amounted to EUR 579,000 (EUR 584,000 at 31 December 2021). They are recognised on the liabilities side of the balance sheet at that date under "Trade and other payables — Other payables".

At 31 December 2022 and 2021, remuneration advances and loans that had been granted to Company employees totalled EUR 61,000 and EUR 81,000, respectively. They are recognised at said date on the assets side in the balance sheet under "Trade and other receivables — Other receivables".

The average number of employees in 2022 and 2021 by professional category was as follows:

	Average number of employees	
	2022	2021
Senior management	1	1
Middle management	5	5
Specialist technicians	32	33
Auxiliary / Support staff	29	30
	67	**69**

The breakdown by gender at 31 December 2022 and 2021 by professional category was as follows:

	Number of employees			
	2022		2021	
	Men	Women	Men	Women
Senior management	1	-	1	-
Middle management	4	3	4	1
Specialist technicians	17	19	12	19
Auxiliary / Support staff	13	8	21	12
	35	**30**	**38**	**32**

The Company does not have any employees with a degree of disability greater than or equal to 33%. To this end, in 2022 and 2021, the Company made allocations to job placement and job creation activities for disabled persons, in accordance with Royal Decree 364/2005 of 8 April, regulating special alternative measures to comply with the requirement that 2% of companies' employees have a disability as set out in the consolidated text of the General Law on the rights of disabled persons and their social inclusion approved by Royal Legislative Decree 1/2013 of 29 November, which states that the number of workers with a disability equal to or greater than 33% must not be lower than 2% of the total workforce.

15. Other operating expenses

External services

The breakdown of the balance of this item in the income statement at 31 December 2022 and 2021 is as follows:

Category	Thousands of euros 2022	Thousands of euros 2021
Lease of offices and facilities	217	262
Equipment and software	2,767	2,336
Communication network	81	91
Travel, marketing and promotion	199	118
Independent professional services	3,116	2,157
Information services	164	206
Power and utilities	146	97
Security, cleaning and maintenance	213	319
Other expenses	878	1,072
	7,781	**6,658**

In 2022 and 2021, the item "Independent professional services" included, among others, expenses relating to management and administration support services provided to the Company by Bolsas y Mercados Españoles (notes 11 and 17).

The item "Other expenses" in the table above included EUR 283,000 and EUR 268,000 in 2022 and 2021, respectively, for supervision fees charged to the Company by the National Securities Market Commission pursuant to Law 16/2014 of 30 September, regulating the fees of the national Securities Market Commission, which entered into force on 1 January 2015.

Amounts payable for external services at 31 December 2022 and 2021, including outstanding amounts owed to Bolsas y Mercados Españoles Group companies (note 17), are recognised on the liabilities side of the balance sheet under "Trade and other payables" in "Payables" and amount to EUR 3,881,000 and EUR 5,948,000, respectively.

The fair value of these financial liabilities does not differ significantly from their carrying amount.

In 2022 and 2021, the fees paid to Ernst & Young, S.L. for the audit of the financial statements amounted to EUR 20,000 in both years. These fees are included in the income statement under "Other operating expenses — External services — Independent professional services". Ernst & Young, S.L. did not provide any services other than auditing.

Information on deferred payments to suppliers in commercial transactions

In accordance with the Second Final Provision of Law 31/2014, of 3 December, amending the Corporate Enterprises Act to improve corporate governance, which amends the Third Additional Provision of Law 15/2010 of 5 July, amending Law 3/2004 of 29 December, establishing measures against late payments in commercial transactions, and considering the Single Additional Provision of the Ruling on 29 January 2016 of the Spanish Accounting and Audit Institute (ICAC) on disclosures to be included in financial statements in relation to the average supplier payment period in commercial transactions, the information on the average supplier payment period in 2022 and 2021 is set out below to comply with the disclosure requirement:

	2022	2021
	Days	Days
Average supplier payment period	37	42
Ratio of transactions paid	39	45
Ratio of transactions pending payment	27	16
	Thousands of euros	Thousands of euros
Total payments made	3,285	3,618
Total payments pending	438	382
Monetary volume of invoices paid in a period less than the maximum established in the regulations on late payments (in EUR thousands)	2,939	2,962
Percentage of total payments made	89.49%	81.87%
	Number of invoices	Number of invoices
Invoices paid in a period less than the maximum established in the regulations on late payments	636	566
Percentage of total invoices paid	92.31%	87.48%

Information on leases

Future minimum rentals payable by the Company arising from operating leases for buildings is as follows:

	Thousands of euros (*)
Up to 1 year	235
Between 1 and 5 years	-
More than 5 years	-

(*) Amounts not updated for CPI.

Most of the minimum future payments due within one year relate to a building under an operating lease used by the Company as its headquarters. The lease expires in 2022 and will be automatically extended for successive annual periods, if necessary.

In addition, it should be stressed that these leases do not contain contingent charges, restrictions or purchase options, but include annual update clauses over the lease terms based on the Consumer Price Index ("CPI").

16. Net revenue and direct variable cost of operations

a) Net revenue

The breakdown of the balance items in this income statement heading in 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Access charges for infrastructure and other facilities	2,351	2,419
Clearing and central counterparty		
Equity	8,187	8,929
Fixed income	442	453
Financial derivatives	6,491	6,866
Other clearing and central counterparty revenues	9,618	8,462
IT and consulting	-	-
Information	-	2
Other sales and services	6	84
	27,095	**27,215**

The Company generates almost all of its revenues in Spain.

Outstanding receivables at year-end 2022 and 2021 for all items are recognised on the assets side of the balance sheet at 31 December 2022 and 2021 under "Trade and other receivables" in the item "Customer receivables for sales and services (members and participating entities)" in the amounts of EUR 2,219,000 and EUR 4,549,000, respectively, and in "Customers, Group companies and associates" (note 17).

The fair value of these financial assets does not differ significantly from their carrying amount.

Losses, impairment and changes in provisions for commercial transactions

This item includes valuation allowances for trade and other receivables recognised in the year as a result of the impairment testing of these assets (note 4.4).

There were no overdue balances for trade and other receivables at 31 December 2022 and 2021.

No provisions were recognised in the 2022 and 2021 fiscal years to cover impairment losses on assets in the balances of trade and other receivables that are detailed on the asset side of the balance sheet.

b) Direct variable cost of operations

The item “Direct variable cost of operations” at 31 December 2022 and 2021 includes the variable costs directly attributable to the services provided by the Company. Specifically, this heading includes variable costs of settlement services (equity segment since the first phase of the Reform entered into force and fixed income since the second phase of the Reform entered into force) that Iberclear invoiced to the Company, which totalled EUR 1,055,000 in 2022 (EUR 1,122,000 in 2021) (note 17); the variable costs that the Governing Companies of the Stock Exchanges and BME Sistemas de Negociación, S.A. invoiced to the Company for transactions involving securities admitted to trading on the various official secondary markets and multilateral trading systems, of which the Company was notified for clearing purposes, in accordance with the agreement signed in the fourth quarter of 2016, amounting to EUR 782,000 in 2022 (EUR 901,000 in 2021) (note 17); and the variable costs that MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A. — Sociedad Unipersonal invoiced to the Company for the nominal amount traded on financial derivatives, of which the Company was notified for clearing purposes, in accordance with the agreement signed in 2017, amounting to EUR 712,000 in 2022 (EUR 718,000 in 2021) (note 17) and agent fees for the OTC segment on interest rates amounting to EUR 8,000 in 2022 (EUR 10,000 in 2021).

The direct variable costs of operations pending payment at 31 December 2022 and 2021, including outstanding amounts owed to Bolsas y Mercados Españoles Group companies (note 17), are recognised in the balance sheet under “Trade and other payables — Payables”.

17. Balances with related parties

At 31 December 2022 and 2021, the Company had the following balances with related companies (note 1).

	Thousands of euros	
	2022	2021
Assets:		
Long-term financial investments (note 7)	34	34
Trade and other receivables		
Customers, Group companies and associates	275	331
Short-term investments in Group companies and associates	778	229
Short-term financial investments (transactions)		
Financial instruments in CCP	27,000	9,585
Balances receivable pending settlement	7,310	8,958
	34,310	**19,137**
Liabilities:		
Short-term financial liabilities (transactions)		
Collateral posted by participants	106,060	80,483
Financial instruments in CCP	44,542	13,004
Balances payable pending settlement	-	2,192
Short-term payables to Group companies and associates	-	292
Trade and other payables		
Payables (note 15)	1,437	1,470
	152,039	**97,441**
Expenses:		
Other operating expenses		
External services (note 15)	3,985	3,042
Taxes other than income tax	42	43
Staff costs	2	4
	4,029	**3,089**
Revenue:		
Net revenue	2,161	1,184
Direct variable cost of operations (note 16)	(2,549)	(2,781)
Finance income — Marketable securities and other financial instruments — Third parties	473	493
	85	**(1,104)**

18. Other supplementary financial information

	Thousands of euros	
	2022	2021
Collateral received from the market:		
Received as pledges and securities as collateral	1,012,979	950,817
Total (*)	**1,012,979**	**950,817**

(*) Off-balance sheet items not recognised in equity.

It includes collateral received apart from cash collateral deposited (note 8) by members as collateral for their open positions in their respective segments.

19. Remuneration and other benefits paid to members of the Board of Directors and senior management

Remuneration paid during the fiscal year to the current and former members of the Board of Directors and the Company's senior management (including within this category the member of the Entity's middle management who sat on the Board of Directors in 2022 and 2021), classified by item, was as follows:

2022

	Thousands of euros			
	Salaries	Per diems(1)	Other items	Insurance premiums
Board of Directors	-	60	-	-
Senior management	565	-	-	-

(1) This amount includes per diems for the attendance at the Board of Directors and Committee meetings, which are recognised in the income statement for 2022 in the balance of the item "Other operating expenses — External services — Other expenses" (note 15).

2021

	Thousands of euros			
	Salaries	Per diems(1)	Other items	Insurance premiums
Board of Directors	-	173(2)	-	-
Senior management	555	-	32	-

(1) This amount includes per diems for attendance at the Board of Directors and Committee meetings, which are recognised in the income statement for 2021 under "Other operating expenses — External services — Other expenses" (note 15).

(2) This amount includes per diems for attendance at the Board of Directors and Committee meetings received by the Secretary of the Board of Directors and Committees, who does not have Company Director status.

The Board of Directors of Bolsas y Mercados Españoles, at its meeting of 25 November 2021, unanimously agreed to submit to the sole shareholder, SIX Group AG, the Directors' Remuneration Policy for 2021 and subsequent fiscal years and adopted, among others, the resolutions to fix the amounts of remuneration to be received by the Company's Directors in their capacity as such as fixed allowances (including the fixed allowance of the non-executive Deputy Chairman for the performance of institutional duties in addition to those inherent to the position) and per diems for attendance at meetings of the Board of Directors and its Committees for the 2022 fiscal year. These resolutions are conditional upon the approval by the sole shareholder of the Directors' Remuneration Policy for the 2022 fiscal year and subsequent years, which was obtained on 17 December 2021.

At the same meeting of the Board of Directors, the amount of the Chief Executive Officer's fixed remuneration for the 2022 fiscal year, the system for determining his variable remuneration (STI) for the 2022 fiscal year, and his inclusion in the SIX Group's Long-Term Incentive Plan (LTI) were approved, all in accordance with the aforementioned Directors' Remuneration Policy. The amount for the 2022 Long-Term Incentive Plan for Directors was EUR 149,000.

At 31 December 2021 and 2022, the Company had not extended any advances or loans and had not assumed any collateral or pension or life insurance obligations vis-à-vis current or former members of the Board of Directors or the Company's senior management other than those indicated above.

In compliance with Additional Provision Twenty-Six of Organic Law 3/2007 of 22 March, regarding effective gender equality, it is reported that at 31 December 2022 the Board of Directors comprised five members, four men (80%) and one woman (20%).

In 2022, Directors' liability insurance premiums for damages incurred in the course of their duties were paid by SIX Group.

Information required under Article 229 of the Corporate Enterprises Act

In accordance with Article 229 of the Corporate Enterprises Act, in order to enhance the transparency of corporations, the Company's Directors explicitly state that they have not incurred in the conflicts of interest set forth in Article 229.1 of the Corporate Enterprises Act, and are not aware of any of the situations mentioned therein that apply to the persons related to them.

20. Financial structure

As indicated in note 1, the Company belongs to the Bolsas y Mercados Españoles Group. Appendix I to the Bolsas y Mercados Españoles Group's consolidated financial statements for 2022 details the companies that are directly held by Bolsas y Mercados Españoles, the parent company of the Group, and the main companies in which it has indirect interests.

21. Events after the reporting period

On 31 December 2022, Circular 4/2022 of 22 December of the National Securities Market Commission on accounting standards, annual accounts and interim financial statements of the infrastructures of the Spanish securities market was published. This circular applies to fiscal years beginning on or after 1 January 2023.

At the date of authorisation for issue of these financial statements, no other significant events have occurred that have not been disclosed herein.

BME Clearing, S.A. — Sociedad Unipersonal

Management report for the year ended 31 December 2022

1. Business performance and situation of the Company

The Company is a central counterparty duly authorised by the Spanish Securities Market Commission (CNMV) pursuant to the Securities Market Act and Regulation (EU) No 648/2012 (EMIR).

The Company provides clearing services as a central counterparty for various financial instruments that are grouped into the following segments:

- financial derivatives (equity and currency)
- energy derivatives
- interest rate derivatives
- trades involving fixed-income securities
- equity spot trades

A total of 33,076,950 contracts were cleared in 2022 for instruments in the group of contracts with financial underlyings related to equities or equity indices (derivative financial instruments), which is a decrease of 0.2% compared to the prior year. This is shown in the table below:

	Jan–Dec 2022 (257 days)	Jan–Dec 2021 (256 days)	Open interest 2022 (31/12/2022)
Equity options	14,993,323	14,065,772	4,460,618
IBEX 35 options	1,344,119	1,489,240	136,412
Equity futures	10,313,726	11,346,047	1,880,122
IBEX 35 futures	5,445,516	5,260,568	60,679
Mini + Micro IBEX 35 futures	934,498	926,565	2,962
IBEX 35 Div Impact futures	19,708	45,450	9,640
Equity dividend futures	26,060	22,900	275
Sector futures	-	-	-
TOTAL	**33,076,950**	**33,156,542**	**6,550,708**

Open interest at 31 December 2022 comprised 6.5 million contracts, 1% less than at year-end 2021.

Additionally, in the financial derivatives segment, currency futures were cleared from 21 June 2019. In 2022, 9,410 contracts were cleared, with year-end open interest of 172 contracts. The volume cleared for the energy derivatives segment in 2022 amounted to 12.6 TWh. It is broken down as follows:

	Jan–Dec 2022 (257 days)	Jan–Dec 2021 (256 days)	Change	Open interest 2022
Electricity contracts	10,725,594	26,593,912	-60%	7,364,649
Natural gas contracts	1,953,601	9,245,700	-79%	713,641
	12,679,195	**35,839,612**		**8,078,290**

Open interest at 31 December 2022 was 8 TWh and down 35% year on year.

The cash value of the Company's business as central counterparty for fixed-income securities trading stood at EUR 199,026 million (buying and selling), corresponding to 2,284 buy/sell-back government debt trades between members (buying and selling). The year-on-year change in cash was -3.5%, and in the number of trades it was 16.3%.

In equity clearing, 77.7 million transactions were cleared (-14.1% year on year) including buying and selling, with a cash volume of EUR 742,595 million (-4.2%).

2. Financial performance

The Company reported net profit of EUR 8,241,000 for 2022, compared to EUR 8,217,000 for 2021, which constitutes an increase of 0.3%.

In 2022, net revenue amounted to EUR 27,095,000, which is a decrease of 0.4% year on year (EUR 27,215,000 in 2021). It may be broken down as follows:

	Thousands of euros	
	2022	2021
Access charges for infrastructure and other facilities	2,351	2,419
Clearing, settlement and CCP		
Equity	8,187	8,929
Fixed income	442	453
Financial derivatives	6,491	6,866
Other clearing and central counterparty revenues	9,618	8,462
IT and consulting	-	-
Information	-	2
Other sales and services	6	84
	27,095	**27,215**

In "Direct variable cost of sales", the Company also records the variable costs directly attributable to the provision of services, mainly settlement costs and costs that depend on the volumes in the equity and financial derivatives segments.

Operating costs amounted to EUR 14,394,000, up 4% year on year (EUR 13,794,[000] in 2021).

The Company's operating profit increased by 4.1% compared to that recorded in 2021 (EUR 11,243,000 in 2021 compared to EUR 11,708,000 in 2022).

As a CCP, the Company guarantees the completion of all contracts and positions entered in the system. Based on the open positions of each clearing member, the Company makes a daily calculation of the collateral that these members must post to comply with their obligations. The cash value of the collateral received at 31 December 2022 stood at EUR 3,577,821,000. This collateral is deposited in the Company's accounts in the Eurosystem-Banco de España. Additionally, the Company receives securities and pledges on securities as collateral. At 31 December 2022, the value of the securities received via transfer stood at EUR 177,145,000, whereas the value of pledged securities amounted to EUR 835,834,000.

The Company's own cash as at 31 December 2022 was fully paid into the Company's account in the Eurosistema-Banco de España and in the deposit of SIX SIS AG.

3. Significant events after the balance sheet date

There were no significant events after the balance sheet date that have not been disclosed in the 2022 financial statements.

4. Main business risks and risk management in accordance with EMIR

Below is a detailed explanation of the Company's extent of exposure to the main risks and how it manages these risks in compliance with Regulation (EU) No 648/2012 (the "EMIR") and its implementing provisions (Commission Delegated Regulations (EU) No 152/2013 and No 153/2013).

The Company has a risk management framework comprising policies, procedures and risk management systems that enables it to identify, measure and control the risks to which it is, or could be, exposed. In addition, in accordance with Article 26 of EMIR, the Company has a Chief Risk Officer who applies the risk management framework, including the policies and procedures established in this respect by the Board of Directors.

All risks are first identified by the Chief Risk Officer and Company's Management, who periodically review risk management, especially with respect to daily operations.

Issues related to changes in the risk model, default procedures, and participation requirements pursuant to Article 28 of EMIR are handled by the Risk Committee, which advises the CCP's Board of Directors on related matters. The Risk Committee comprises 10 members appointed by the Board of Directors as per the criteria provided for in EMIR: two directors classified as independent, five representatives of clearing members, and three representatives of clearing members' customers.

As per Article 7 of the Commission Delegated Regulation (EU) No 153/2013, the CCP's Board of Directors is responsible for the establishment and oversight of the risk management function, whereas senior management ensures that sufficient resources are allocated to risk management and is actively involved in the risk control process.

The risks identified and managed by the Company, in accordance with Article 27 of EMIR, are as follows:

- Market, depository and settlement platform risk: the risk of a participant's performance, a malfunction in the depositories (IBERCLEAR, CLEARSTREAM, EUROCLEAR, SIS), in the connection with the markets (MEFF, BME Renta Fija, SIBE, Bloomberg MTF, Tradeweb EU, Brokertec), or in the Target2 settlement platform affecting all the CCP's participants.

  The Company has an agreement in place with each market, one with Banco de España and one with IBERCLEAR, and a framework agreement with CLEARSTREAM, EUROCLEAR and SIS. These agreements regulate the obligations of each party, with well-defined lines of responsibility, and procedures for coordinating risk management and default. These entities work together to resolve incidents, and the aforementioned agreements provide for continuity mechanisms to be triggered in the event of communication links being lost.

- Legal risk: the risk of the Spanish Securities Market Act, BME CLEARING's Rule Book, insolvency laws or other legislation regarding cross-border collateral (collateral deposited in the CCP's account in CLEARSTREAM, EUROCLEAR and SIS) being applied unexpectedly due to insolvency, which would hinder the execution of collateral or positions. The legal risks are assessed by the Legal Advisory Department, which proposes solutions to mitigate the risk or to address the consequences of any default.

- Credit risk: the risk of default by a clearing member, which is mitigated almost completely with the collateral posted with the CCP, which is calculated and required in accordance with Articles 41, 42, 43 and 45 of EMIR.

  The Company operates as a CCP for derivative instruments, equity transactions and government debt repos, therefore, it incurs counterparty risk. It hedges this risk by managing the collateral required of all market participants based on a sophisticated system of measurement and control of open positions that enables it to request additional collateral depending on the day-to-day activity of members in real time, under the terms set out in its Regulation and Circulars and the legislation in force.

  To control risk deriving from its positions in financial assets and exposure to counterparties, the Company continually and efficiently monitors CCP concentration risk at different levels:

    - At an aggregate level
    - At clearing house member level
    - At the level of each account open at the CCP
    - In each issuer, and
    - In each country

  In addition to the characteristics of the assets, the Company also takes into account the risks associated with them, including volatility, delivery (in the case of commodities), duration, illiquidity, non-linear price characteristics, jump-to-default and wrong-way-risk. The latter two are closely related to credit or counterparty risk.

  With regard to counterparty risk related specifically to non-compliance by members, the Company calculates the amount of the default fund every month. This amount is calculated to cover the maximum risk in a stress test situation calculated for the sum of the two clearing members with the greatest risk exposure in the same scenarios and increasing this by an additional minimum percentage of 10%.

  Counterparty risk not covered by the CCP's specific financial resources (i.e. collateral required from its members, the default fund and its own additional dedicated resources) is also analysed. Non-covered counterparty risk is defined as the expected loss deriving from default by the counterparty as a result of insufficient accredited collateral (specific financial resources) that could arise due to one-off market events that create a serious risk of default by clearing members.

  The collateral calculation model developed by the Company offers a coverage level that is appropriate for stress conditions, in alignment with the high confidence level required under the EMIR Regulation, which in turn further strengthens the stress methodology applied under other specific requirements of EMIR. For extreme conditions that go beyond the assumptions of these confidence levels, the CCP supplements its monitoring of coverage with an analysis of sensitivity scenarios.

The Company has procedures in place to recognise changes in market conditions, including an increase in volatility or a reduction in the liquidity of the financial instruments cleared, with a view to quickly adapting the calculation of its margin requirements so as to adequately reflect the new market conditions.

The Company also performs daily back tests for each collateral account in order to assess the coverage of its margins by carrying out an ex-post comparison of the results observed (maximum losses recorded within a determined close-out period) with the forecast results in terms of required initial margins.

Additionally, the valuation of positions temporarily acquired by members as collateral, the Company applies a prudential valuation haircut, which is in turn is back-tested to determine its appropriateness.

The Company applies haircuts for the following market risks:

- Interest rate risk
- Currency risk
- Credit spread risk (risk premium)
- Price fluctuation risk
- Concentration risk

• Liquidity risk: the risk that the CCP will not have sufficient funds available to meet the payment obligations of a defaulting member. In accordance with Article 44 of EMIR, the Company has a liquidity plan approved by the Board that sets out the mechanisms to ensure that the CCP has access to adequate financial resources to cover its liquidity needs in any circumstances. This risk is very low given the large amount of cash collateral posted. Two elements are identified in the liquidity risk:

- Liquidity/funding risk is the risk that the Company will encounter difficulties in meeting its payment obligations or is forced to raise funds under onerous conditions to meet them.

- Liquidity/market risk is the risk that the Company will incur losses as a result of selling assets at an execution price significantly lower than the expected market price due to devaluation caused by frictions in the supply-demand balance.

Due to the specific nature of its activities, the Company has adequate controls in place for both types of liquidity risk, which are consistent, proven and in line with the best and even the most conservative practices in financial risk management.

In relation to liquidity/funding risk, the Company has a comprehensive liquidity plan in place ensuring a chain of guaranteed resources in the event that more liquidity is required than available in the first liquidity layers. Further, the Company runs a daily simulation of the two clearing members with the largest exposure defaulting at the same time and evaluates whether the aforementioned resources would be sufficient.

The application of the aforementioned haircuts is one way of controlling the lack of liquidity on the market. These are also applied in stress scenarios, therefore, the collateral can easily be liquidated at its reduced value in either a normal market situation or in an extreme situation of falling prices.

There are two types of "market illiquidity". Exogenous illiquidity results from the specific characteristics of a security, from the difference between the buying and selling price affecting settlement of the securities held by market participants. Endogenous illiquidity is specific to each market participant's individual position. The larger the participant's position, the higher the security's illiquidity for this participant.

Using the application of haircuts as a way of controlling exogenous liquidity, the Company also controls endogenous liquidity risk by controlling concentration risk, adjusting the initial margin according to a barometer of exposures measured against the average daily volume of assets traded.

- Operational risk: the risk deriving from errors in processes and systems or human errors that interrupt the service provided by the CCP or lead to economic losses. Measures in place to mitigate this risk include the following:

    - Double validation of key processes

    - Daily reconciliations of the records maintained in the CCP's system and registries of the depositories, markets and payment platforms

    - Possibility of alternative communication and data transfer channels

    - Business continuity policy approved by the Board of Directors in accordance with Article 34 of EMIR

    - Immediate evaluation of any operational incidents to provide a solution, prevent the incident from recurring and improve the procedures

- Business risk: the risk of a deterioration in the CCP's financial position, where expenses outweigh income, e.g. as a result of poor management, resulting in the CCP having to draw on its own resources to cover its expenses. Measures in place to mitigate this risk include the following:

    - The CCP maintains close contact with its members to gain a first-hand understanding of their commercial needs.

    - Management and the CCP monitor and manage the Company's revenue and earnings.

    - The Company is a member of industry associations, such as the European Association of CCP Clearing Housing (EACH) and Futures Industry Association (FIA) and maintains regular contact with members to keep abreast of emerging industry needs in relation to CCP.

    - The Company closely monitors all international and domestic legal developments.

- Risk of margins and CCP funds in deposit: the risk of fraud or poor interpretation of the records. Securities are held directly in CCP accounts, so this risk is low and the CCP reconciles the records on a daily basis.

- Investment risk: the risk that the CCP's counterparty in investments of cash collateral or the CCP's own resources goes bankrupt. This risk is low, as the Company's investment strategy is designed in accordance with Article 47 of EMIR and is highly conservative, placing priority on security of the investment over profitability at all times:

  - Cash is invested in financial instruments with low credit and market risks. When invested, it is mainly in overnight Spanish government bond repos, with conservative haircuts and risk diversification across at least four counterparties with high credit rating. The investments may be liquidated quickly, if required. In the current environment, cash is not usually invested and is credited to the CCP's accounts in Target2-Banco de España less the portion that has been invested in the SIX SIS AG deposit.

  - The cash not invested is deposited in the CCP's cash accounts in Target2-Banco de España, one account for own resources (NRBE 9094), the other for third-party collateral or funds not invested (NRBE 9095) and another operating account (NRBE 9088) to collect and pay securities settlements in T2S. The CCP has own funds deposited in commercial banks for operating amounts. There are no third-party funds deposited in commercial banks.

5. Capital management

To comply with the EMIR Regulation, specifically Article 16, and Commission Delegated Regulation (EU) No 152/2013, the Company has carried out the obligatory analysis of the risks incurred, which have subsequently been classified, controlled and measured to determine that sufficient coverage is in place, according to the provisions of the regulations.

- Article 16(2) of EMIR notes that the CCP's capital should be sufficient to ensure an orderly winding-down or restructuring of the activities over an appropriate time span and an adequate protection of the CCP against credit, counterparty, market, operational, legal and business risks which are not already covered by specific financial resources as referred to in Articles 41 to 44 of the EMIR.

- Article 45(4) of EMIR indicates that a CCP shall use specific own resources before using the default fund contributions of non-defaulting clearing members. Article 35.2 of Commission Delegated Regulation (EU) No 153/2013, implementing the aforementioned Article 45, indicates that the minimum specific financial resources, known as "skin in the game", constitute at least 25% of the minimum capital requirement set out in Article 16 of Regulation (EU) No 648/2012 and Commission Delegated Regulation (EU) No 152/2013 of the European Commission.

At the end of 2022, the Company comfortably met the legal minimum capital requirements.

To ensure that these capital requirements are met on a timely basis, the Company has a CCP capital requirements monitoring procedure. The aim of this procedure is to ensure that sufficient capital is permanently available to cover the risks.

The financial resources are invested in accordance with Article 47 of EMIR, i.e. they are deposited in cash in the CCP's dedicated account in Target2-Banco de España or invested in financial instruments with low credit and market risks.

6. Outlook for the Company

In the first two months of 2023, 3.63 million derivatives contracts were cleared, 14.4% more than the same period in the previous year. The volume of energy contracts cleared amounted to 1.7 TWh, 31% less than in the same period a year earlier. A cash volume of EUR 18,366 million was recognised in fixed-income securities trades (buying and selling), which was 28.6% less than in the same period in the previous year.

In the equity segment, a volume of 10.8 million trades was cleared in the first two months of 2023 (-30.5%) for a cash volume of EUR 104,781 million (-21%).

7. Research and development activities

The Company, as part of the Bolsas y Mercados Españoles Group, develops its model for innovation and technological improvement based on the design and the development of in-house applications. In 2022, the Company incurred expenses for the development of the perpetual stock futures platform which became operational in 2022, and for the technological architecture change project on which further developments will be carried out, as well as for the cryptocurrency derivatives project.

8. Transactions with treasury shares

The Company does not hold any treasury shares and did not carry out any transactions with its own shares or those of its parent companies in 2022.

9. Use of financial instruments by the Company

Owing to the current interest rate scenario no investments were made during the 2022 fiscal year.

Mr. Santiago Carrillo Menéndez
Chairman

José Manuel Ortiz-Repiso Jiménez
Chief Executive Officer

Gonzalo Rubio Irigoyen
Director

Gregorio Arranz Pumar
Director

Ms. Marta Bartolomé Yllera
Director