



The Mexican Exchange



Bolsa Mexicana
de Valores

**Investor Relations
4Q19**

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About BMV



- We make Mexican stock and derivatives markets work
- Strong Foundation and Execution
- Creating Shared Value
- Top Partners

We make Mexican stock and derivatives markets work

We advance the Mexican economy and our goal is to remain the most respected financial exchange in Mexico and the catalyst for economic progress through innovation, experience and excellent service



■ Our clients always come first

If we serve our clients right, our own success will follow



■ We stress creativity and ingenuity in everything we do

We push ourselves to take calculated risks every day and anticipate our customers' needs to deliver solutions



■ Our assets are our people, technology and reputation

Innovation helps us to continuously improve and we empower our people to lead with conviction and deliver on our commitments



■ We take great pride in the quality of our work

We strive for excellence in everything we undertake, strengthening the success of our team and company



■ Our goal is to provide superior returns to our shareholders

We manage the business with a perspective of achieving successful growth over the long-term



■ We have the very best person for every job

We know that without the best people, in a service business, we cannot be the best firm

Strong Foundation and Execution



Building exceptional businesses

- ▶ Consistently investing and innovating
- ▶ A straight-forward business model
- ▶ Nine business units together delivering significant value



Operating with solid principles

- ▶ Strong foundations - integrity, transparency, service, excellence, teamwork and innovation
- ▶ Better, faster, simpler
- ▶ Commitment to controls



Maximizing long-term shareholder value

- ▶ Focusing on revenue growth and strong returns
- ▶ Delivering significant operating leverage and cost efficiency through top execution

Leading to:

59%

EBITDA
Margin

20%

ROE

80%

Payout
Ratio

4%-5%

Dividend
Yield

Creating shared value

We have partnered with the following institutions



BANCOMEX



First-Class Technology...in a First-Class Business

Our technology is mostly developed in-house and our top providers support our services



Corporate Responsibility (ESG)



- We are committed to legal and ethical behavior through a corporate compliance program
- We developed the first sustainability index in Mexico and the second in Latin America
- Green, Social and Sustainable Bond Listings
- Strengthen the financial awareness in Mexico

Environment

- BMV is part of the **Sustainable Stock Exchanges Initiative** and has an active role in environmental projects in order to grow Green Finance.
- **MEXICO2, BMV's Carbon Exchange**, which provides an electronic forum for certificates conferring the right to emit one tonne of carbon dioxide, thereby attaching a cost to pollution.
- Since 2011, we incorporated the **Sustainability Index** and **BOLSA A is part of this index.**
- Last year we launched BMV's Environmental Strategy which points to 5 objectives:



Waste management



Emission neutralization



Saving water



Energy efficiency



Being an example in the market

Social

- **In 2019, BMV strengthen the Stock Market and Financial awareness in Mexico through:**

- Exchange School – 28,000 people annually, 152 courses, 31 events & 6 strategic alliances Mexican Stock
- An interactive museum (MUBO) – more than 100,000 visitors
- Free lectures every other week taught by experts in their fields in BMV's auditorium, which translates in more than 5,000 attendees

- **BMV Group Foundation**

- BMV supports art & culture through the promotion of the creative work of mexican emerging artists
- In 2019, BMV had 6 exhibitions that lasted each over a month

- **Our collaborators are the most important asset.**

- We constantly seek to offer the best working conditions, a career plan and trainings. BMV's workplace culture is one where every employee feels empowered to bring their authentic self to work every day. BMV is committed to continue working towards gender equality.

- **Social Programs:**

- Volunteer program for employees
- Participation in sport events
- Free lectures in public and private schools

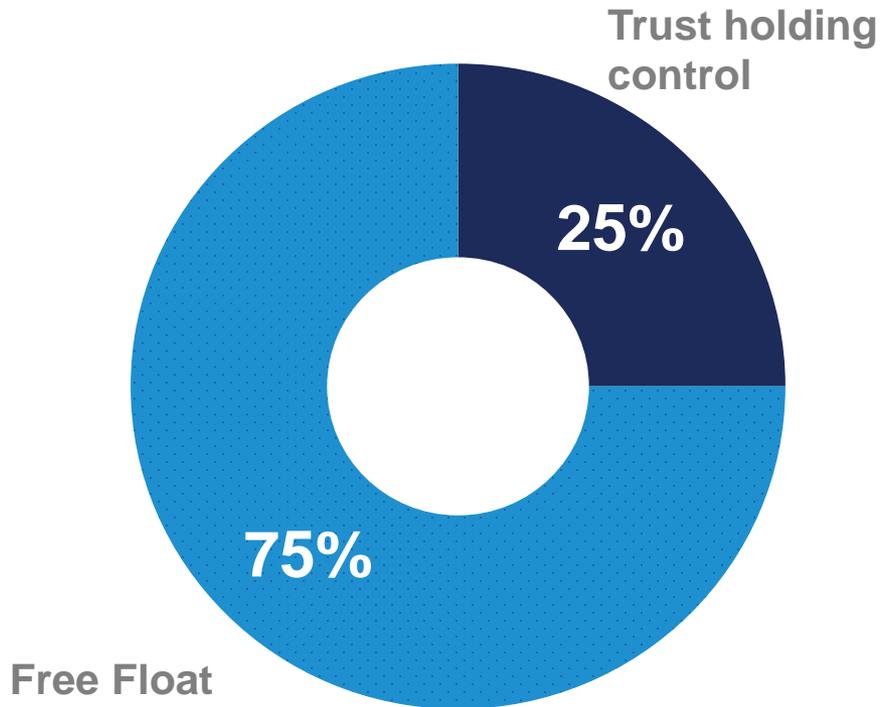


Governance

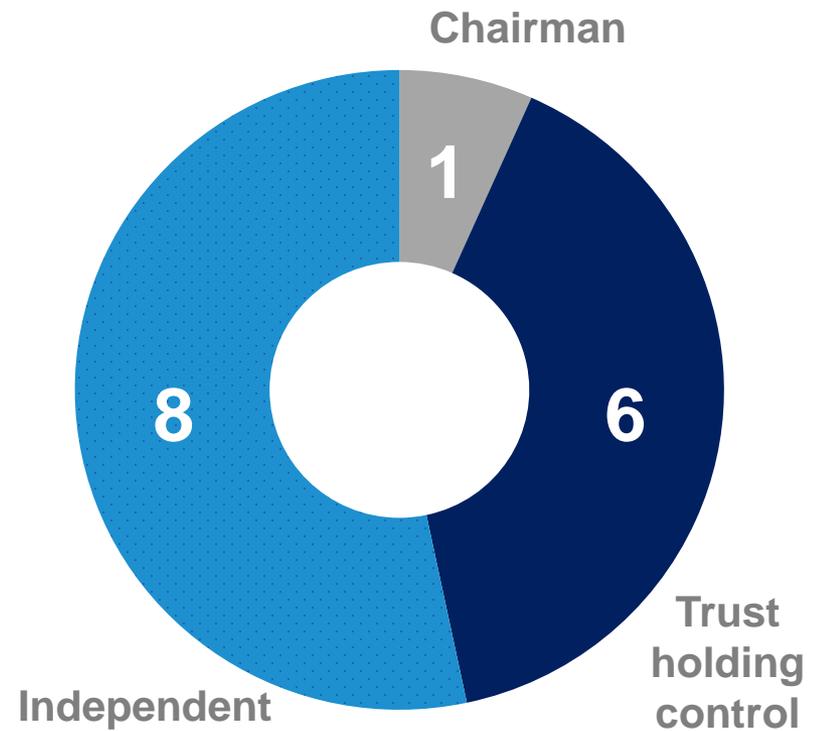
- **BMV is guided by a strong Corporate Governance, ethics and best practices.**
 - Our board is diverse in gender and structure with 60% independent members
 - Measures to prevent conflicts of interest with suppliers and employees
- **Policies and guidelines**
 - Electronic Document and Information Processing Policy
 - Regulatory and Corporate Compliance Policy
 - Treatment and Protection of Personal Data
 - Anti-corruption and money laundering policy
 - Policy to establish the mechanisms of good corporate governance in financial infrastructures
 - Guide for the prevention and identification of operations with illicit resources
 - Securities Operations Manual
- **A strong communication campaign of business ethics and institutional values among employees**
 - Innovation, Service, Excellence, Teamwork, Transparency, Integrity

Shareholder Structure

Ownership



Board of Directors



As of December 2019



Business Units & Operating Model

- Fully integrated Exchange
- 125 years of experience
- Diversified business model with 9 revenue segments
- Highest segment contributes 28% of total revenues
- 37% of total revenues are Market driven



Bolsa Mexicana
de Valores

A Well Balanced Business Portfolio



Listing

- Equities
- SPAC
- MLP (Fibra E)
- Debt
- ETFs (TRACs)
- REITs (FIBRAs)
- Private Equity (CKDs and CERPIs)

▪BMV



Trading

- Local Market
- Global Market (SIC)
- Listed Derivatives
- OTC Market
 - Fixed Income
 - Swaps

▪BMV
▪MexDer
▪SIF Icap



Post-Trade

- Clearing
- Settlement
- Securities lending
- Custody
- Central Securities Depository

▪Indeval
▪CCV
▪Asigna



Market Data

- Data Feed
- Screens
- Statistics
- Price Vendor
- Indices

▪BMV
▪Valmer

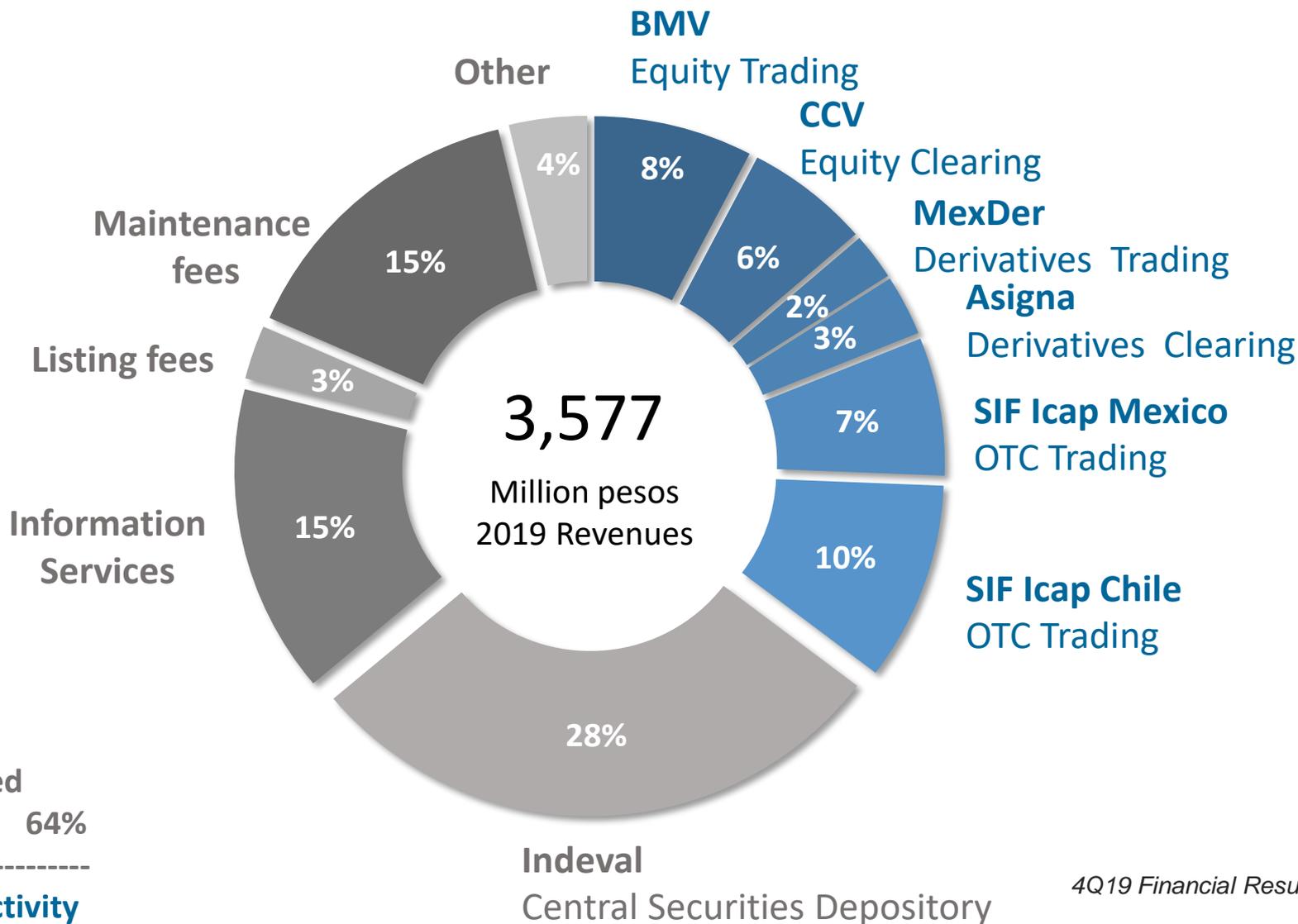


Value Added

- Education
- Financial Risk Management
- Governance, Risk & Compliance
- Softwares

▪BMV
▪Valmer

Diversified Revenues by Business Activity

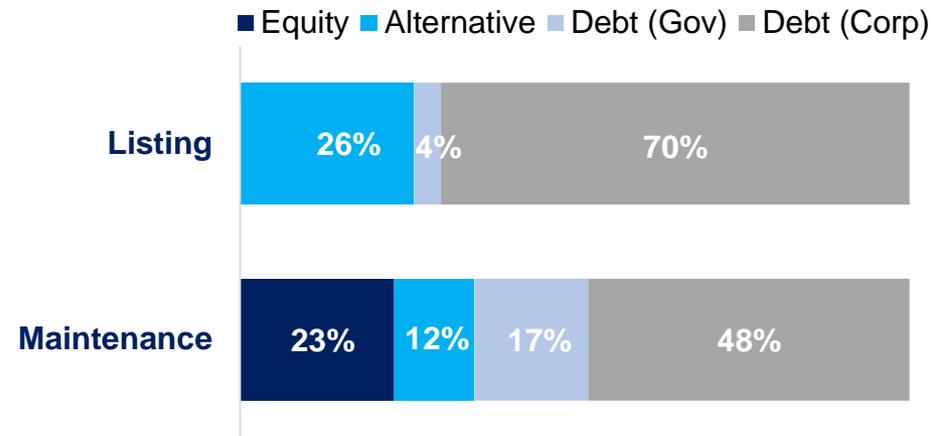


4Q19 Financial Results

1. Listing and Maintenance

Key Factors

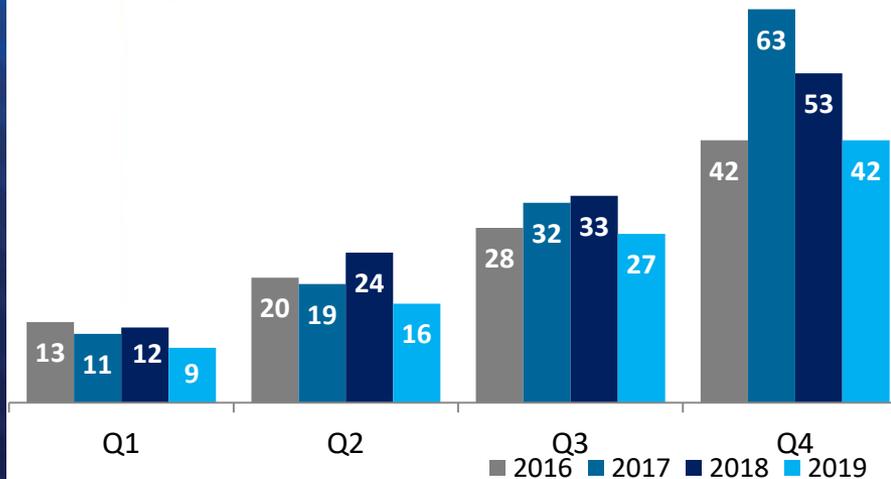
- All instruments have a one-time payment listing fee
- Maintenance fees are paid annually after the first year of been listed
- Fees are subject to the CNBV approval and are adjusted annually by inflation. New reduced fee schedule starting January 2019.
- 2019: government and other debt duration 12.2 and 6.2 years



As of December 31st 2019

Listing Revenues

(million pesos)



As of December 31st 2019

Maintenance Revenues

(million pesos)

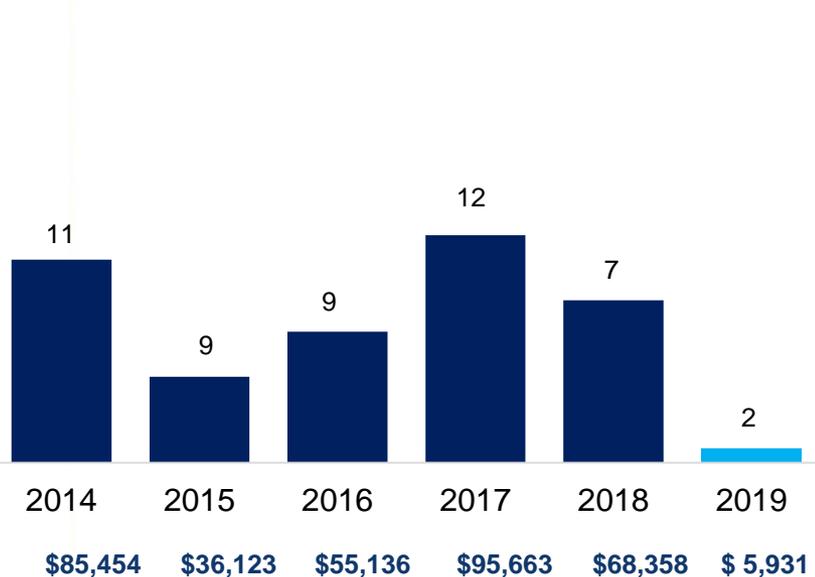


As of December 31st 2019

2019 Equity Listings

Local Market

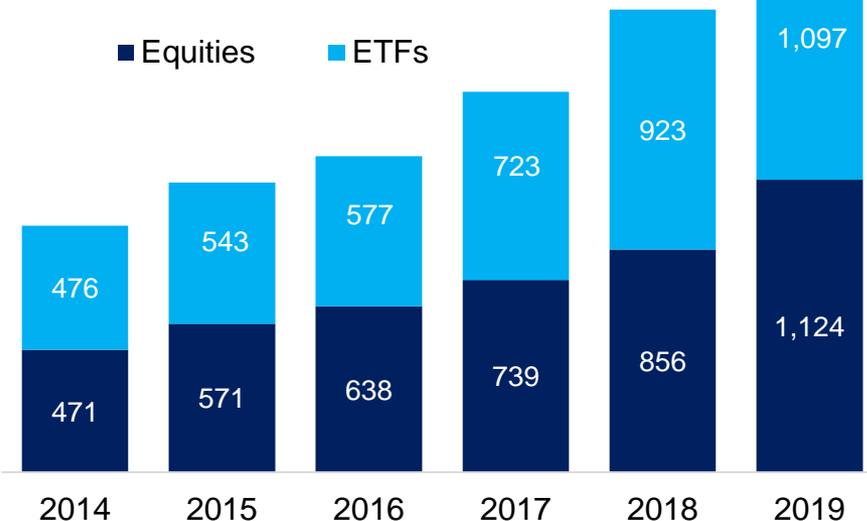
IPOs & Follow-Ons (million pesos)



As of December 31st2019

- Follow-Ons of VISTA for \$2,031 million on July 26th.
- Follow-Ons of FMTY for \$3,900 million on October 29th.

Global Market



Global Distribution

- North America: 60%
- Europe: 34%
- Asia: 4%
- South America: 1.5%
- Africa and Oceania: 0.5%

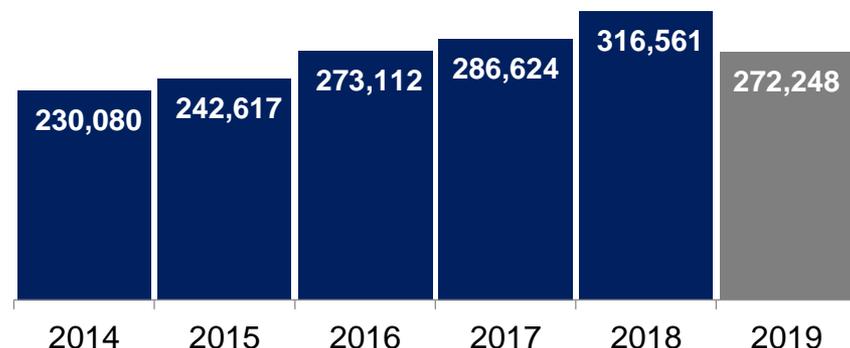
As of December 31st2019

2. Equity Trading and Clearing

Key Factors

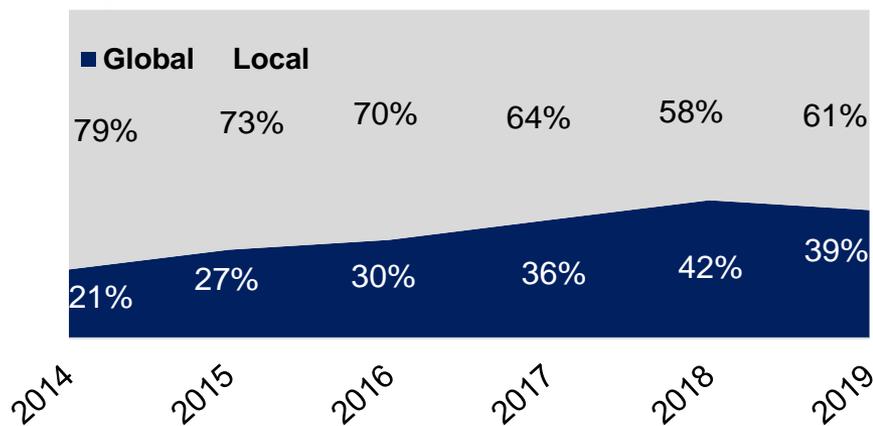
- Local and global (SIC) markets.
- Trading revenues are based on the total value traded during the month. Average fee per side 0.38 basis points.
- Participants must deposit margins (Central Clearing) to guarantee their trading activities. Average fee per side: 0.34 basis points
- Fees are subject to the National Banking and Securities Commission approval.

Cash Equity Trading Revenues (thousand pesos)



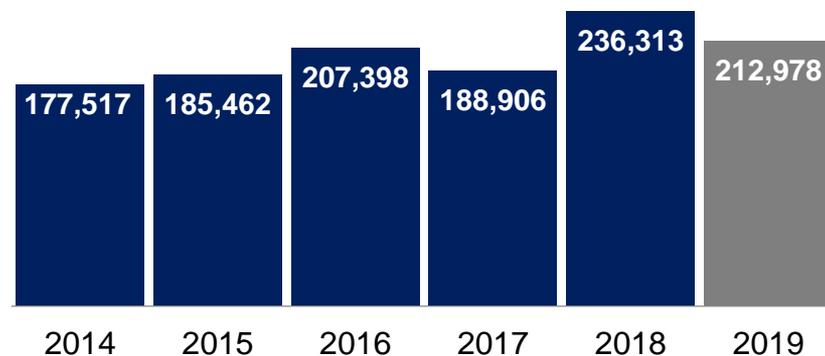
As of December 31st 2019

Market Mix



As of December 31st 2019

Cash Equity Clearing Revenues (thousand pesos)



As of December 31st 2019

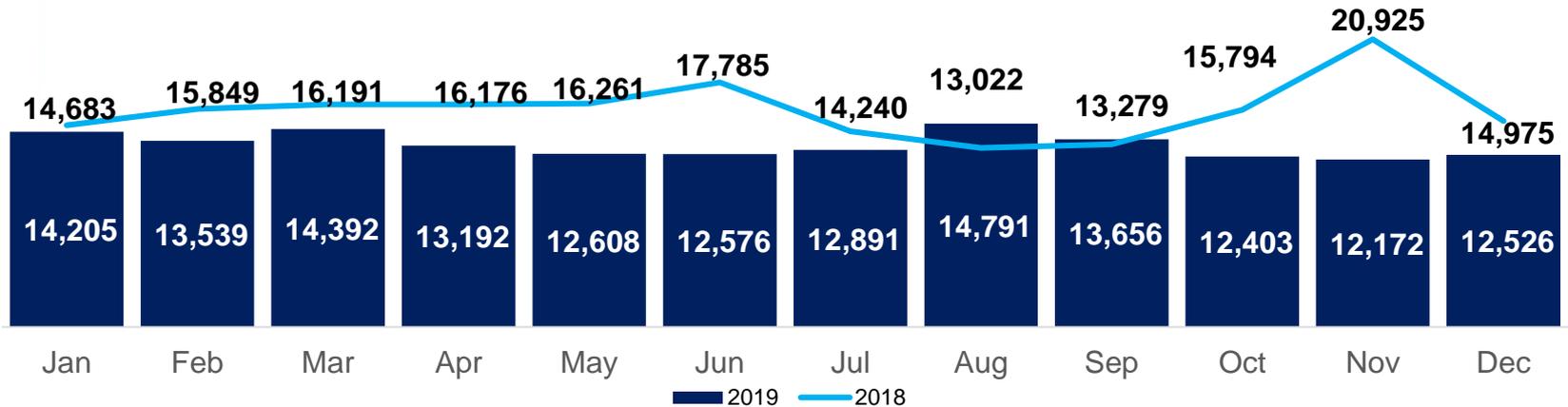
Operational Highlights

2010 – 2019 Daily Average Trading Value & Transactions per Year
(million pesos)



As of December 31st 2019, Operational Highlights

2019 vs 2018 Daily Average Trading Value per Month
(million pesos)



As of December 31st 2019, Operational Highlights

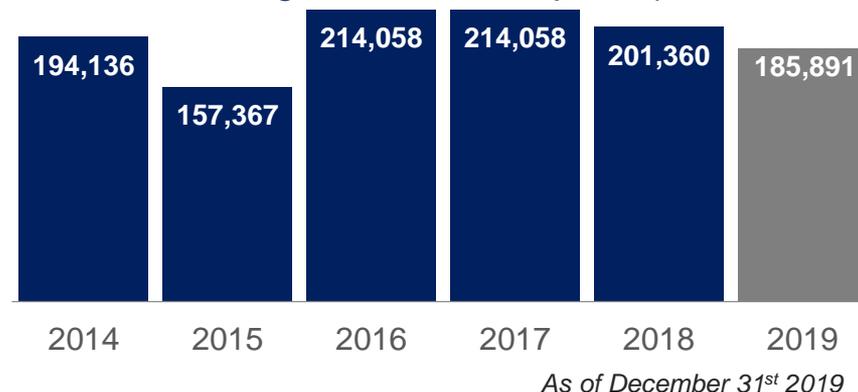
3. Derivatives Trading and Clearing

Key Factors

- MexDer is the only listed derivatives market in Mexico
- Futures, options and swaps platform
- Average margin deposits \$32.3 billion pesos (-15% vs 2018)

Derivative Revenues

(MexDer and Asigna in thousand pesos)



Total Derivatives Contracts

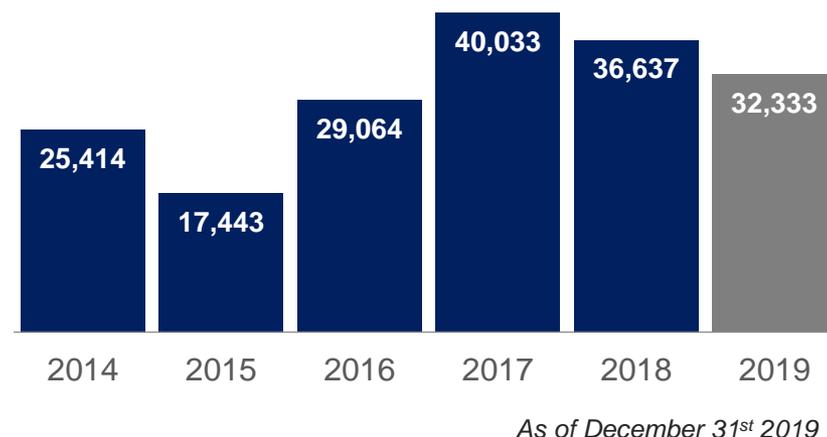
(daily average traded)

■ Futures ■ Swaps



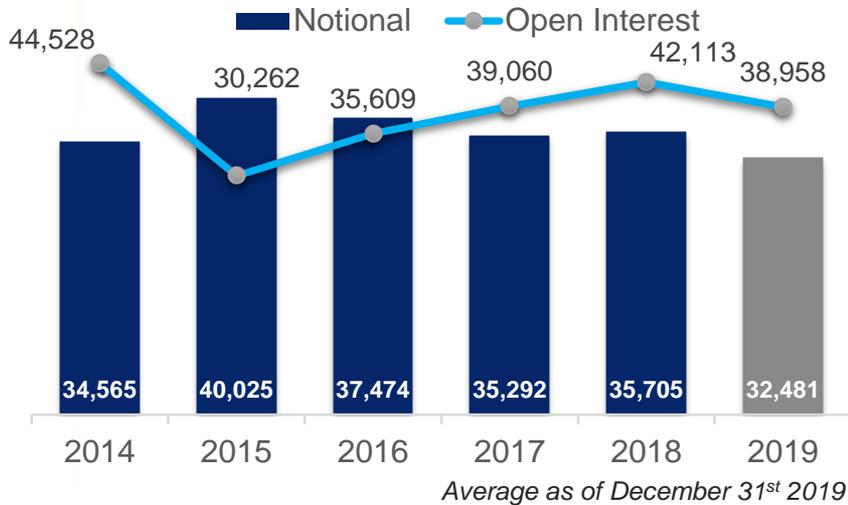
Margin Deposits

(average in million pesos)

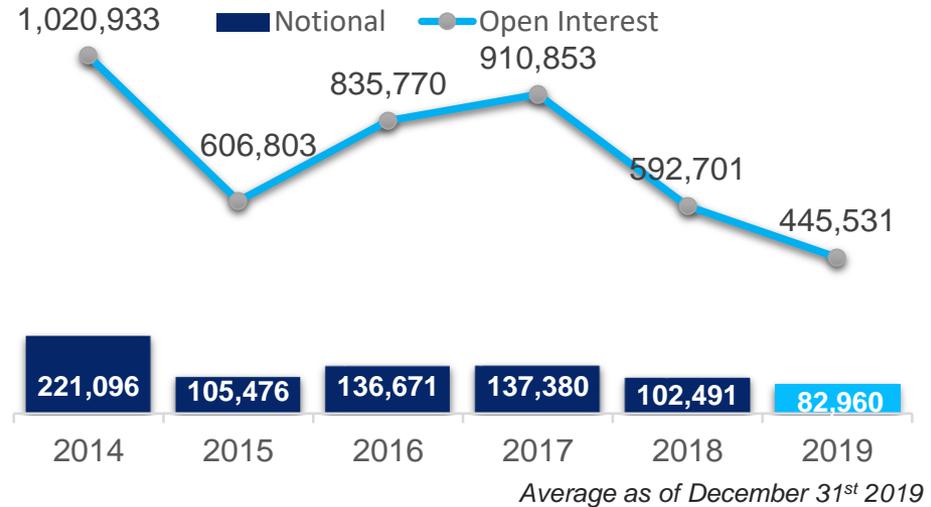


Operational Highlights

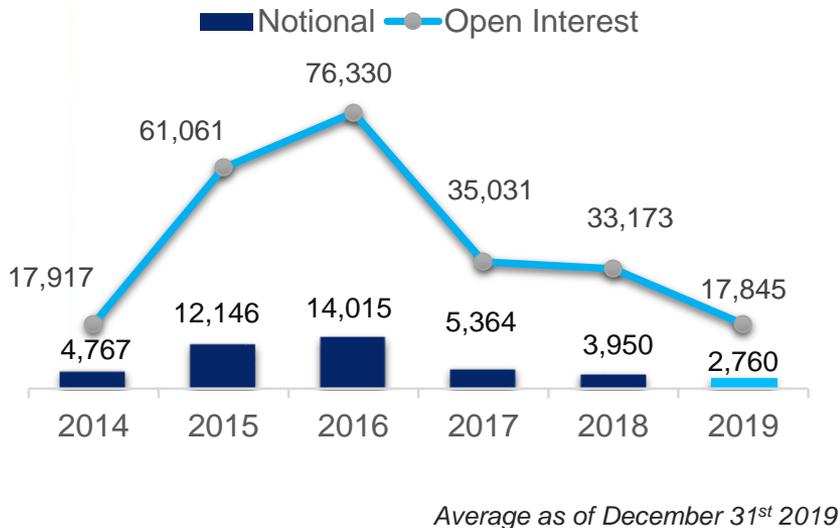
IPC Futures



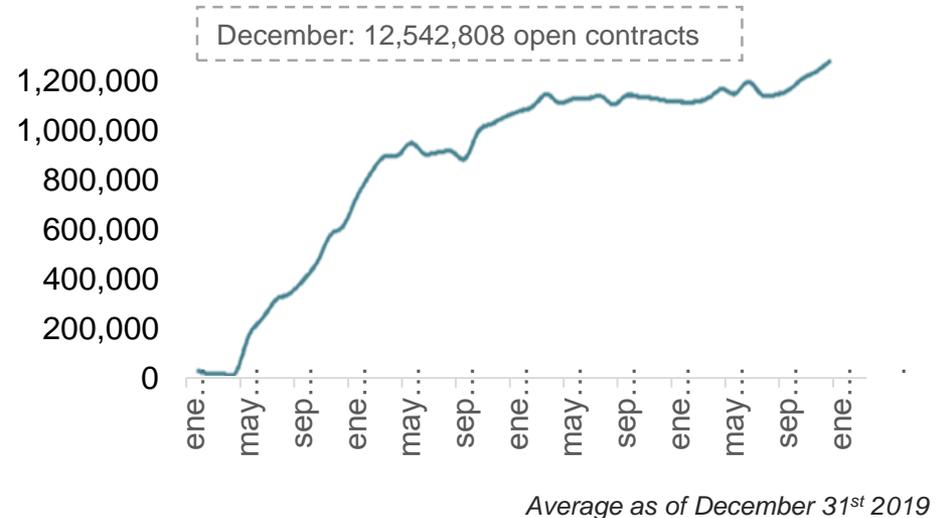
USD Futures



DC24 Futures



Swaps

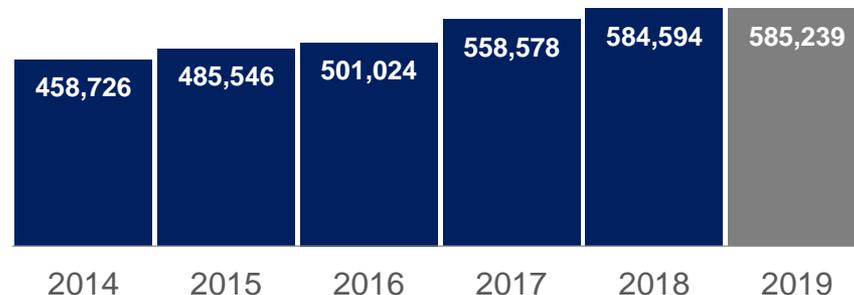


4. OTC Trading

Key Factors

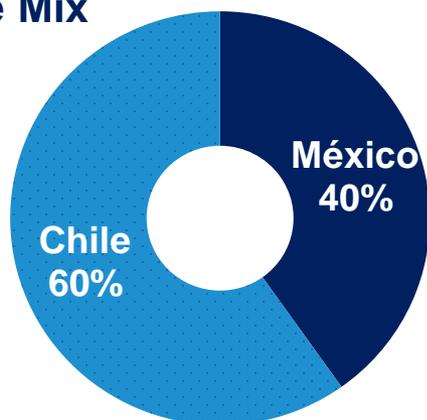
- Joint Venture with ICAP Plc.
- SIF ICAP has presence in Mexico, Peru and Chile
- Only inter-dealer broker in Mexico with an area dedicated exclusively to corporate bonds
- Voice and electronic interdealer broker

OTC Revenues (thousand pesos)



As of December 31st 2019

Revenue Mix



As of December 31st 2019

Products

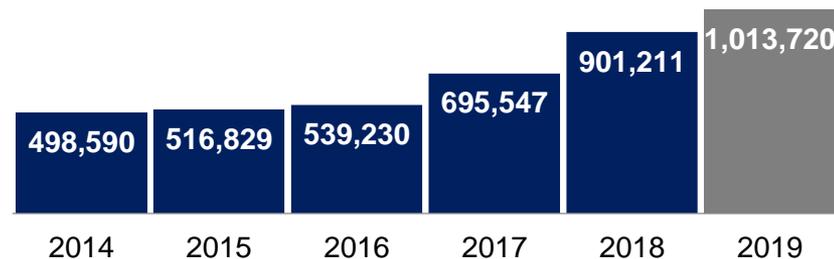
- Government bonds
- Banking and corporate bonds
- Swaps (IRS and currency)
- Forwards (currency)
- Warrants

5. Central Securities Depository

Key Factors

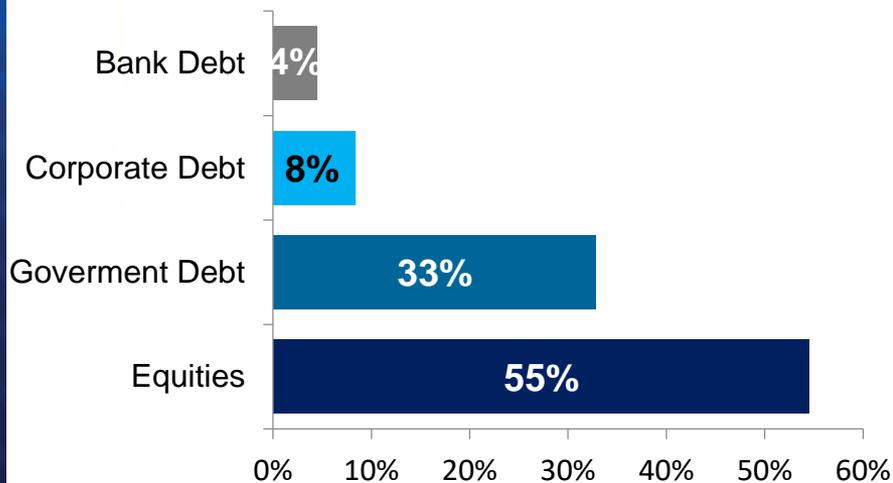
- Indeval is the central custody for all the securities in Mexico and settles equities, fixed income
- The average daily amount settled \$5.2 trillion pesos
- Custody fees are regulated by the National Banking and Securities Commission

Indeval Revenues (thousand pesos)



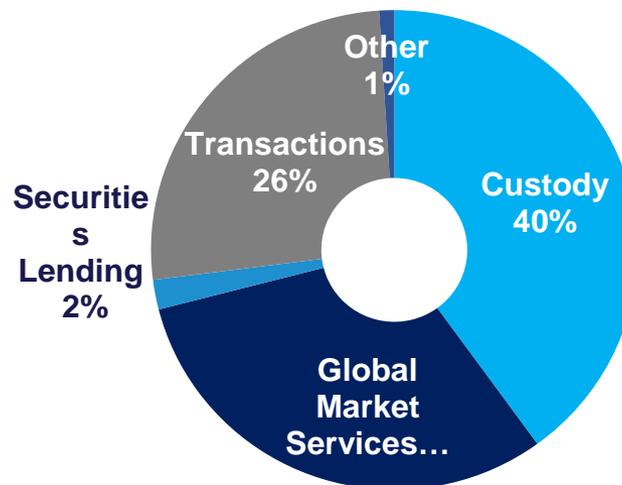
As of December 31st 2019

Custody Balance Distribution



As of December 31st 2019

Revenues Distribution



As of December 31st 2019

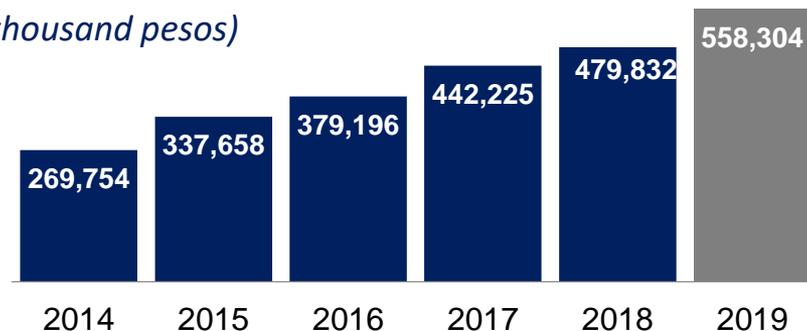
6. Information Services

Key Factors

- Valmer is an authorized price vendor and risk management software provider
- Market Data provides screens, information stations and data feeds
- Strategic alliance with S&P for production and distribution of fixed income and equity indices

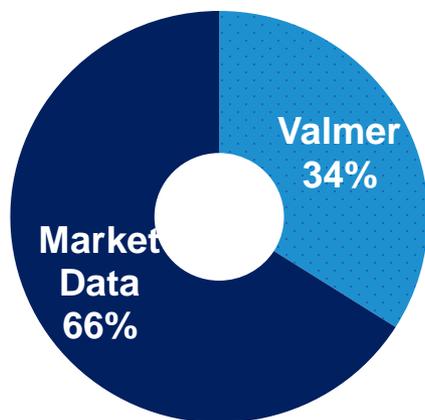
Information Services Revenues

(thousand pesos)



As of December 31st 2019

Revenue Mix



As of December 31st 2019, Financial Results

S&P/BMV Indices

	Equity	Fixed Income
Indices	15	94
ETFs referenced to an index	21	5

As of December 31st 2019

Main Initiatives



- Balance between growth potential and cash generating businesses
- Capex ⁽¹⁾: 70 - 100
- Depreciation⁽¹⁾: 170 – 200*

(1) Million

(2) Including 100 million pesos in leases (IFRS 16)

A Business Portfolio that Offers Growth



Listing

- Green bonds
- Social bonds
- Sustainable bonds
- SPACs
- MLPs
- CO2 certificates

•BMV



Trading

- Block trading books
- Incorporation of limit market stance
- Short sale optimization
- Improvement of crossing operations

•BMV
•MexDer
•SIF Icap



Post-Trade

- Securities lending platform
- **Direct Custody**
- Clearing and settlement for new securities
- Automation of Corporate actions

•Indeval
•CCV
•Asigna



Market Data

- **LatAm Exchanges Data (LED)**
- Point of presence in NYC
- Consolidated feed
- Alliance with S&P to build and distribute indices globally
- Financial risk management

•BMV
•Valmer

Indeval: Direct Custody

It will enable access to the local market infrastructure providing various services to foreign financial institutions such as broker-dealers, banks, fund managers, insurance companies and global custodians.



ACCOUNT MANAGER

- Point of contact between our clients and Indeval
- Customer service platform (faster responses to queries)
- English speaking account managers



CORPORATE ACTIONS

- Proxy Voting
- Corporate Events
- Communication via SWIFT
- Dividend and interest processing
- Enhanced cut-off times for instructions



MARKET INFORMATION

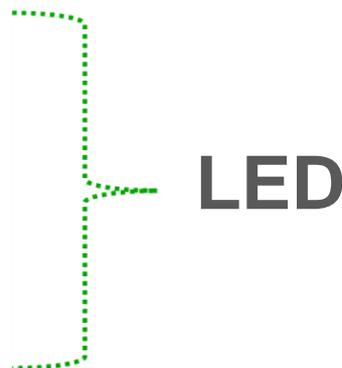
- Extensive Market reports
- Income
- Safekeeping



TAX SERVICES

- Tax Reclaim
- Tax Withholding
- Documentation
- Tax reporting

Information Services: LatAm Exchanges Data (LED)



Mexico City

Infrastructure and production, as well first-level support

Miami

Project management, relationships with contributors, as well as design, marketing, and sale of final products

Relevant Information

- **Structure** – BMV owns 51% of the Mexican company and 49% of the American company.
- **Stages** – the first stage of development is to establish an information distribution platform for the delivery of end-of-day data from Latin American markets. The second stage will incorporate real-time products.
- **Investment** - up to 10 million dollars with an initial outlay of three million dollars for the development of the first stage.

Investment in Technology and Business Continuity



Financial Results



Bolsa Mexicana
de Valores

- EBITDA Margin: 59%
- EPS: 0.52 4Q19
- ROE: 20%
- 2019 Dividend Yield: 4.8%
- Payout Ratio: 80%
- DPS: 1.81

Q419 Key Financial Highlights

Strong financial performance and tight control of underlying costs

Revenue
Down 0.3%
\$913MM

(4Q2018: \$916MM)

Net Income
Down 11.9%
\$350mn*

(4Q2018: \$352MM)



Expenses controlled while investing for growth
402MM* – Down 12.0% or \$54MM

(4Q2018: \$456MM)



EBITDA
Up 17%
\$561MM*



(4Q2018: \$480)

EBITDA Margin
Up 598 bps
61.0%



(4Q2018**: 55%)

Dividends per Share
up 2.0%
\$1.81***



(2018: \$1.78)

* Excluding the 40 million pesos impairment to Asigna's goodwill

** Figures for 2018 consider the amendments to IFRS 16 (leases)

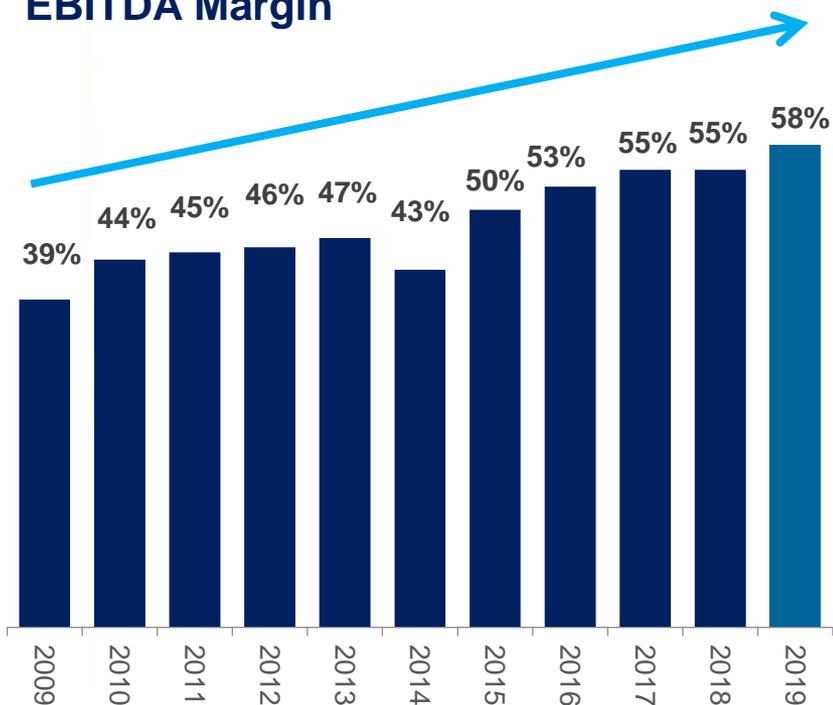
*** BMV's Board of Directors agreed to recommend to the Shareholders' Assembly a dividend of 1.81 pesos per share

Sustainable Growth

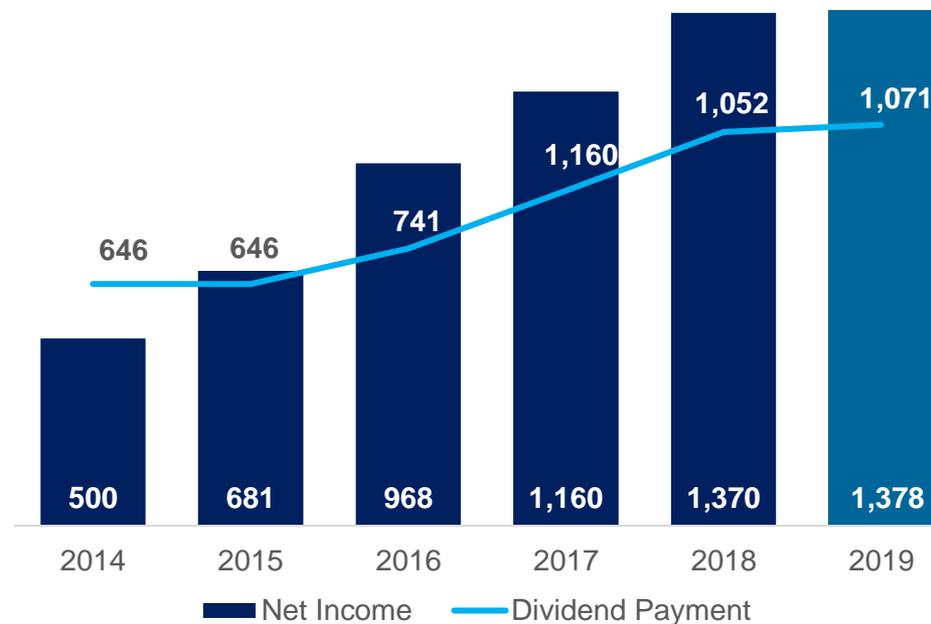
Guidance 2020

- **EBITDA Margin: 58% – 61%**
- **Net Income: \$1,400m - \$1,600m pesos**

EBITDA Margin



Net Income, Dividend & Payout (million pesos)



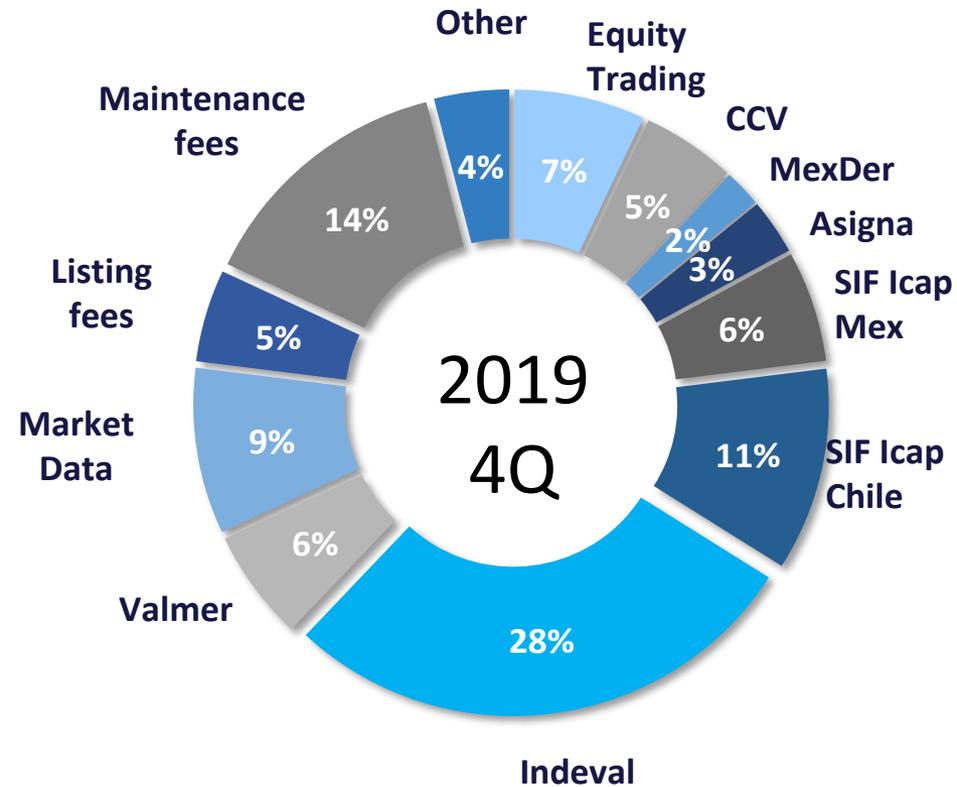
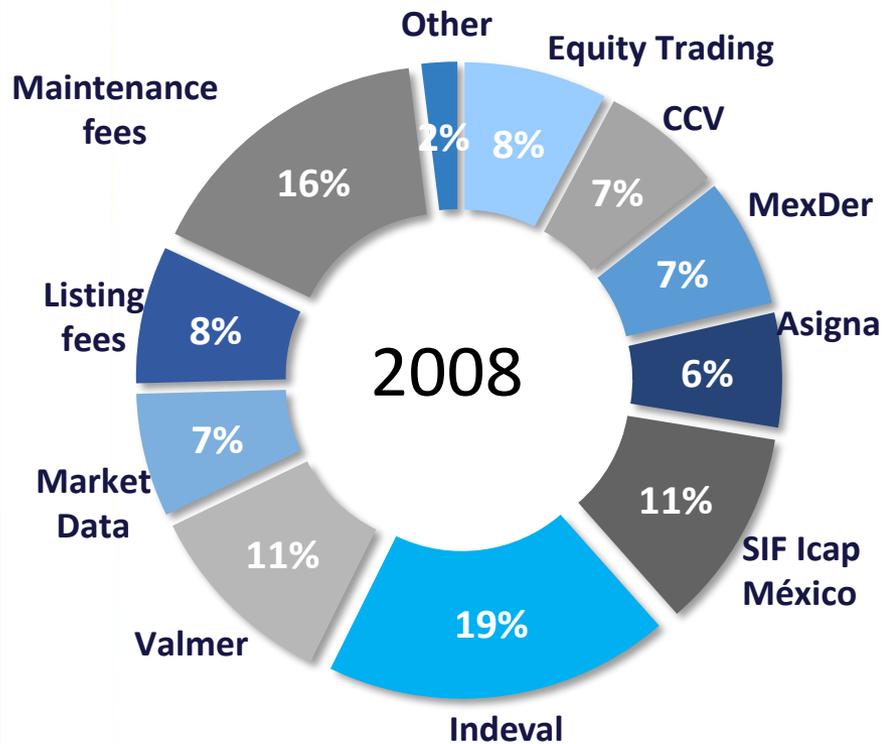
BMV's financial results
Excluding impairment of goodwill in 2008/14/15/19

Revenues Overview – quarterly YoY

	4Q19	4Q18	Var.	Var. %
Revenues	913,499	916,288	-2,789	-0.3%
Cash Equities	113,176	155,170	-41,994	-27.1%
Cash equities trading- BMV	63,496	83,924	-20,427	-24.3%
Cash equities clearing- CCV	49,680	71,246	-21,567	-30.3%
Derivatives	44,117	49,557	-5,440	-11.0%
MexDer	18,667	21,178	-2,511	-11.9%
<i>Derivatives trading</i>	16,385	18,109	-1,723	-9.5%
<i>Data sales-MexDer</i>	2,282	3,069	-788	-25.7%
Derivatives Clearing- Asigna	25,450	28,379	-2,929	-10.3%
<i>Derivatives Clearing</i>	25,414	28,076	-2,662	-9.5%
<i>Data Sales- Asigna</i>	37	303	-266	-87.9%
OTC (SIF ICAP)	154,758	134,761	19,997	14.8%
OTC trading	153,395	133,418	19,977	15.0%
<i>SIF ICAP México</i>	55,857	57,932	-2,075	-3.6%
<i>SIF ICAP Chile</i>	97,538	75,485	22,052	29.2%
SIF ICAP data sales	1,364	1,343	20	1.5%
Issuers	166,884	188,736	-21,852	-11.6%
Listing fees- BMV	42,305	52,715	-10,410	-19.7%
Maintenance Fee- BMV	124,579	136,021	-11,442	-8.4%
Custody	260,403	239,936	20,467	8.5%
Information Services	134,627	115,508	19,119	16.6%
Price Vendor- Valmer	51,458	41,237	10,221	24.8%
Data Sales	83,168	74,270	8,898	12.0%
Others	39,535	32,621	6,914	21.2%
Colocation	4,450	4,147	302	7.3%
Others	35,085	28,474	6,612	23.2%

Thousand pesos
4Q19, Financial Results

Evolution of Revenue Mix



4Q19, Financial Results

Expenses Overview - quarterly YoY

<i>Thousand pesos</i>	4Q19*	4Q18	Var.	
Expenses	401,764	455,978	-54,214	-12.00%
Personnel	195,482	203,174	-7,692	-3.79%
Technology	65,128	104,610	-39,482	-37.74%
Depreciation	49,742	20,106	29,636	147.40%
Rent and Maintenance	14,974	21,651	-6,677	-30.84%
Consulting Fees	24,493	28,719	-4,226	-14.71%
Sub-custody	15,038	37,456	-22,418	-59.85%
CNBV Fees	7,254	6,928	326	4.71%
Other	29,652	33,333	3,681	11.04%

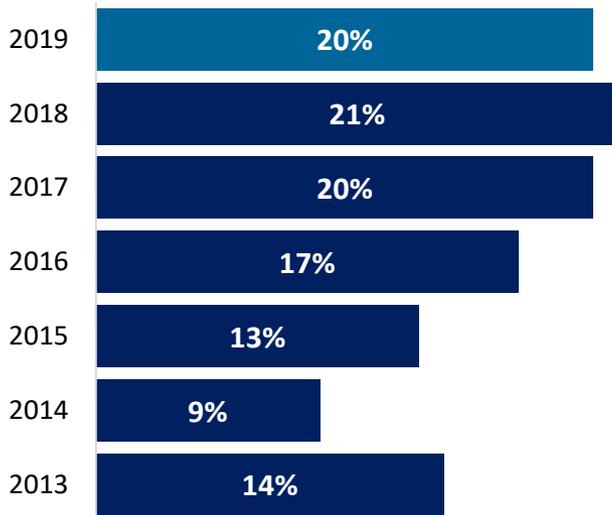
** Excluding the 40 million pesos impairment to Asigna's goodwill*

Good control of underlying expenses

- **Sub-custody** -down 60%, or 22 million pesos explained by better terms as a result of the consolidation of international custodians for the Global Market (SIC), as well as discounts for 3 million pesos in the 4Q19.
- **Consulting fees** - down 15% or 4 million pesos due to the flexible disaster recovery plan (DRP) regulatory project and improvements to BMV's website, which were partly offset by the savings in external consultants.
- **Technology**- down 38% or 39 million pesos due to the reclassification of 21 million to Depreciation as a result of the changes to the accounting standard IFRS 16, and 18 million due to initiatives to optimize processes.

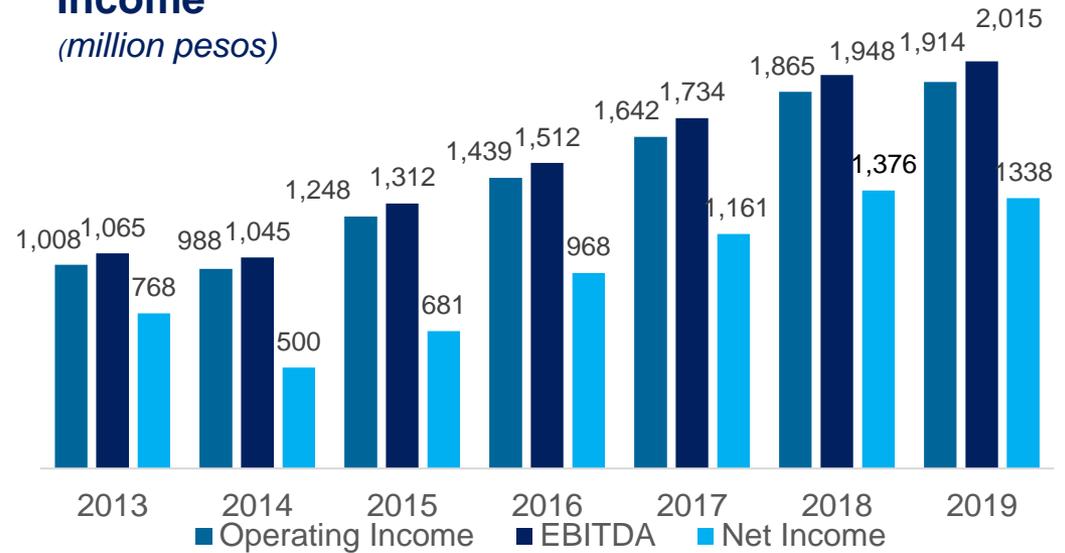
Income Growth

Historic ROE



Operating Income, EBITDA & Net Income

(million pesos)

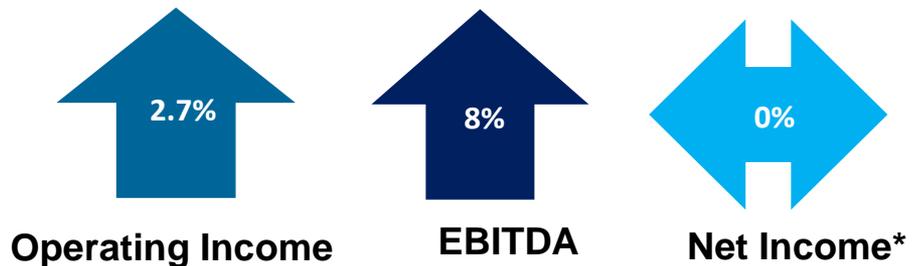


4Q19, Financial Results

Flat USD position

- Revenues in dollars: 25%
- Expenses in dollars: 23%

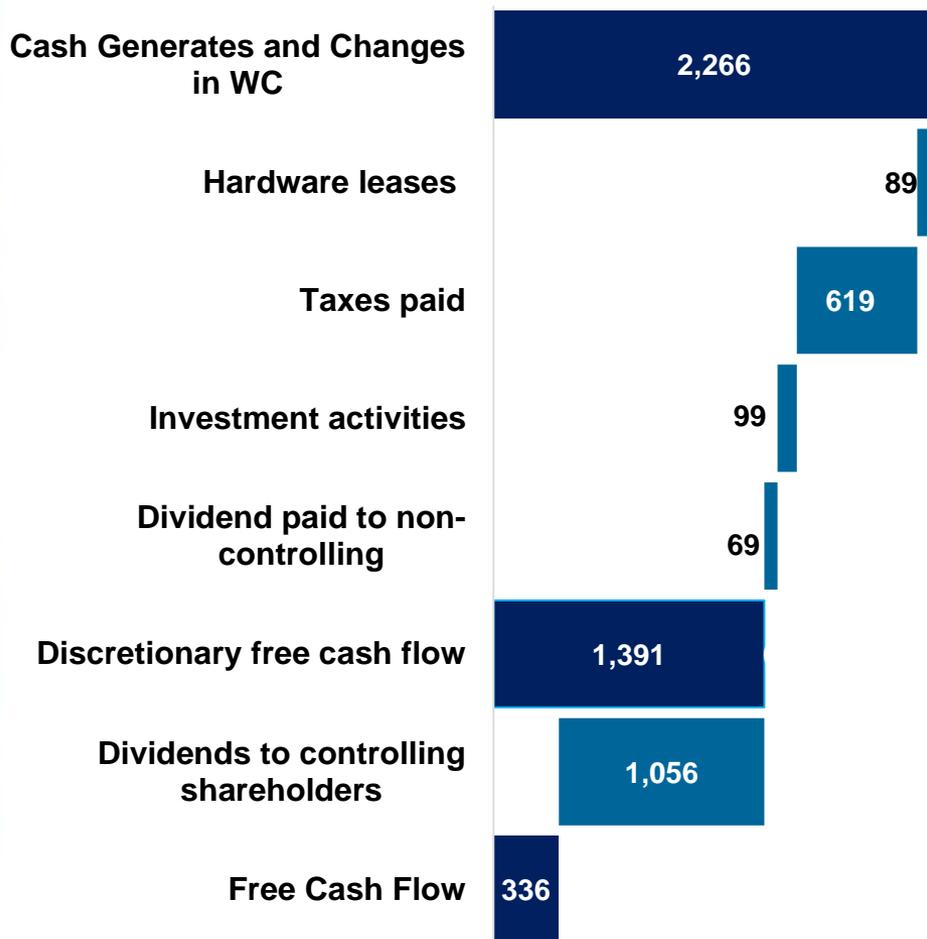
Growth Rate: 4Q19 vs 4Q18



*Excluding goodwill impairment of 40 million pesos in Asigna

Summarized Cash Flow up to 4Q19

Strong cash generation



- Cash at the beginning of the period **\$2,764MM**
- Cash at the end of period **\$3,100MM (\$336MM)**
- **\$57MM** capex – mainly technology upgrades and new projects & **\$15MM** acquisition of shares (LED Miami)
- **\$190MM** depreciation and amortization
- Dividends per share **\$1.81 & 4.8%** dividend yield
- Cash generation-discretionary free cash flow remains strong at **\$2.35** per share

Figures are in million pesos
4Q19, Financial Results

Balance Sheet Common-size analysis

	Dec-19		Dec-18	
Total Assets	7,868	100%	7,429	100%
Cash & Investment	3,100	39%	2,764	37%
Accounts Receivable	404	5%	392	5%
Recoverable Taxes	14	0%	28	0%
Total Current Assets	3,517	45%	3,185	43%
Amortization expenses	55	1%	46	1%
Other Non-Current Financial Assets	166	2%	229	3%
Investments in Associated Companies	39	0%	31	0%
Fixed Assets	479	6%	472	6%
Goodwill	3,084	39%	3,124	42%
Other Non-Current Assets	527	7%	342	5%
Total Non-Current Assets	4,351	55%	4,245	57%
Total Liabilities	808	10%	588	8%
Suppliers and Other Accounts to Pay	444	6%	347	5%
Deferred Income	11	0%	12	0%
Taxes Payable	176	2%	180	2%
Other Short Term Financial Liabilities	0	0%	0	0%
Total Current Liabilities	631	8%	539	7%
Bank Loans & Provisions	177	2%	49	1%
Total Long Term Liabilities	177	2%	49	1%
Stockholders' Equity	7,060	90%	6,841	92%
Capital Stock	4,507	57%	4,507	61%
Premium in issue of shares	0	0%	0	0%
Retained Earnings and Reserves	1,960	25%	1,746	24%
Other Results	344	4%	354	5%
Minority Interest	248	3%	233	3%
Liabilities + Stockholders' Equity	7,868	100%	7,429	100%

- **Total Assets** \$7,868MM
- \$3.1b cash and investments
- **Total Liabilities** \$808MM
- **Shareholders' Equity**
\$7,060MM
- **Book Value** \$3,976MM

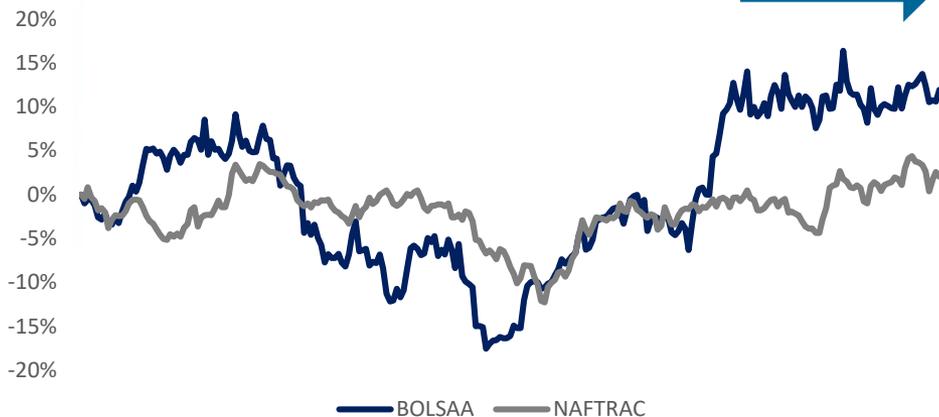
Stock Performance

Analyst	Recom.	Target Price	Date
Grupo Santander	Hold	46	18/nov/2019
J.P. Morgan	Buy	43	24/jan/2020
HSBC	Hold	35	21/jan/2020
Credit Suisse	Buy	43	15/oct/2019
Itau BBA Securities	Buy	47	24/nov/2019
Barclays	Hold	42	22/jan/2019
Bradesco BBI	Buy	51	3/jun/2019
Bank of America	Sell	39	7/oct/2019
UBS	Hold	36	21/jan/2020

Average 42

Annual Return : 13.9%

3M: 3.2%



Top 10 Holders

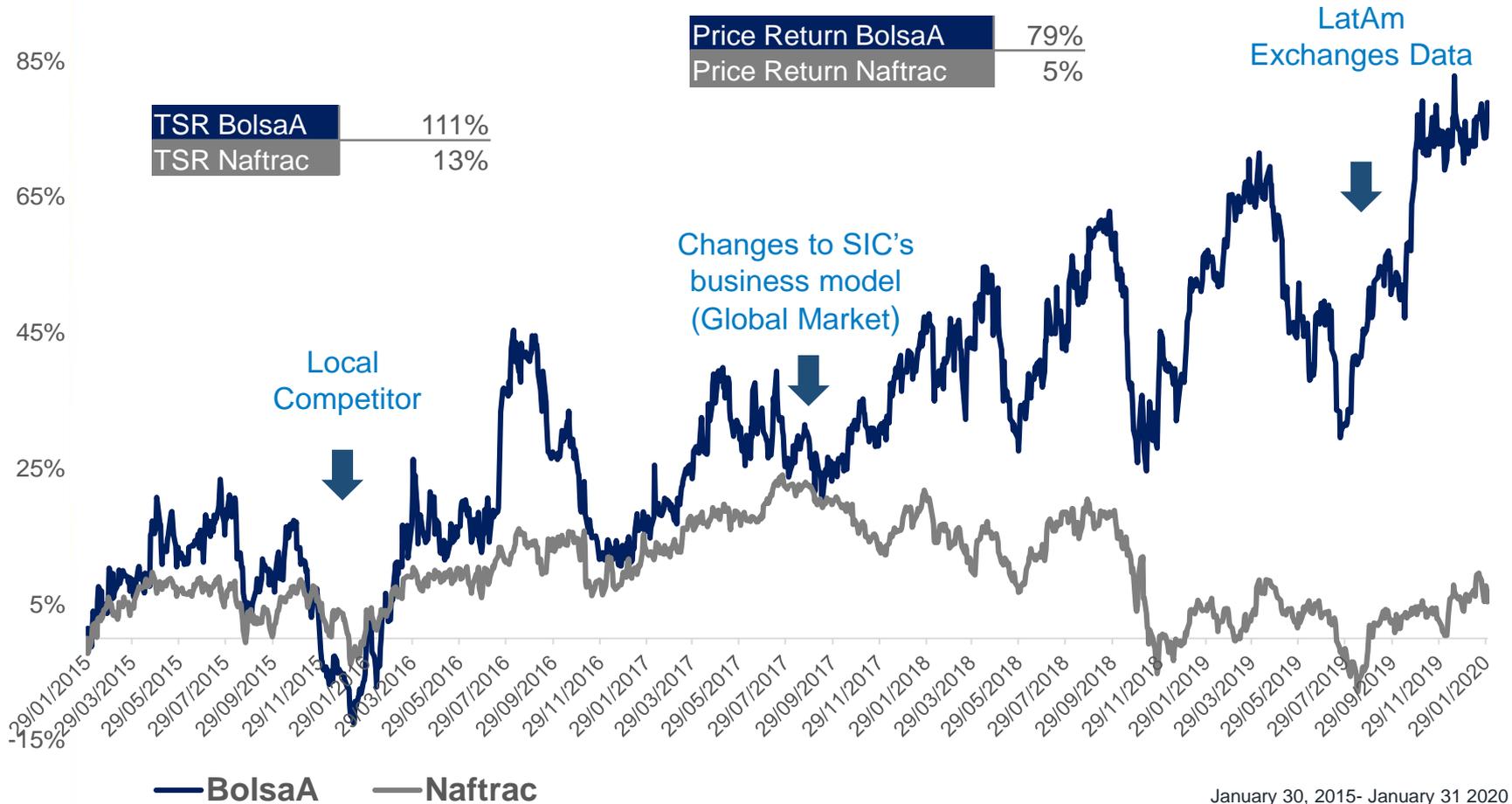
January 31 2020

Capital Group Companies Inc	7.2%
Invesco Ltd	4.2%
B3 SA - Brasil Bolsa Balcao	4.1%
J.P. Morgan	3.7%
Franklin Resources	3.6%
Vanguard Group Inc	2.5%
Seafarer Capital	2.4%
Nacional Financiera SNC	2.0%
Goldman Sachs	1.6%
Fidelity Ltd	1.6%

Source: Bloomberg

	BOLSAA	NAFTRAC
Max	44.5	45.9
Min	31.5	38.6
Average Price	38.4	43.1
Close	43.5	44.8
Max Volume (thousands)	14,389.0	58,511.0
Min Volume (thousands)	58.5	183.1
Average Volume (thousands)	1,256.4	18,781.1
Dividend Per Share	1.8	1.2
Dividend Yield	4.1%	2.7%
Return 3M (Price)	3.2%	3.5%
Return 12M (Price)	13.9%	2.0%
Return 12M (TSR)	15.9%	4.7%
Return YTD (Price)	1.6%	1.0%

BolsaA vs Naftrac (5-year)



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