

## BBVA heads the new FTSE4Good IBEX index

**BBVA, Telefónica, Repsol YPF, Santander and Inditex, in the top 5 of the new FTSE4Good Ibex sustainable index.**

**This index, the first of its kind in Spain, will be the basis for the growing Socially Responsible Investment, where BBVA leads the market with approaching 80% of the assets it manages. Lastly, this index, which was inaugurated last Wednesday on the Madrid Stock Exchange and will be revised twice yearly, is comprised of 27 out of the 82 companies assessed.**



Until its next review in September of this year, the new FTSE4Good Ibex is made up of the following Spanish companies: BBVA (8% weighting), Telefónica, Santander, Repsol YPF, Inditex, Banco Pastor, Banco Sabadell, Bankinter, Bolsas y Mercados Españoles (BME), CIE Automotive, Corporación Dermoestética, Enagás, Ercros, Gamesa, Gas Natural SDG, Gestevisión Telecinco, Grupo Ferrovial, Iberdrola Renovables, Ibex m, Mecalux, Obras con Huarte Lain, Promotora de Informaciones, Prosegur, REE, Sol Meliá, Vidrala and Vocento.

BBVA, moreover, through its recent commitment to invest over €200 million of its assets from the *Plan de Empleo BBVA* (BBVA Employment Plan) under SRI criteria, is bound to play a starring role in this new market, which in the United States already accounts for one in every nine dollars invested.

To enter this index, as in the international level FTSE4Good, aspiring Spanish companies have to comply with certain environmental CSR criteria (management system, CO<sub>2</sub> emissions, etc.) and others to do with workers' rights, social rights and human resources, and fight against bribery or supply chain control. The assessment is performed by EIRiS, the sustainability rating firm, with the collaboration of its partner in Spain, the Ecology and Development Foundation (Spanish initials, ECODES).

To do so they study the information provided by the company itself, they contact its employees and the local communities where it operates and they also make use of the public information available on the company. The two six-monthly reviews made each year are not constrained to a set number of component companies; there is no minimum or maximum and they can include the 82 companies assessed.

As far as sectorial representation is concerned, the index has kicked off with a broad representation: Banking has the largest share with five companies, followed by the utilities and industrial goods and services sectors, both with four companies each. These are followed by the communications media sector, with three companies, and construction with two. The rest, oil and energy, chemicals, motor vehicles and components, healthcare, retail trade, travel and leisure, telecommunications, insurance and financial services, are all each represented by a single company.

The top five companies account for 40% of the index weighting. Telefónica leads with 10%, followed by the Santander Banking Group with 9%, BBVA with 8%, Repsol YPF with 7% and Inditex which rounds up the group with 6% (all the data is current at 19 March 2008).

In the words of the head of BME Equity, Jorge Yzaguirre, it is a "capitalisation-weighted" index; the biggest shares have the biggest weights, although a ceiling of 10% has been laid down for each component company, which cannot be exceeded. The number of members is open, given that the underpinning idea is one of diversification. Since last week, the FTSE4Good Ibex has been quoted in real time. Of its 27 constituent companies, 16 belong to the IBEX 35, 14 to the IBEX Medium and 7 are what are known as small companies.

As regards the yield of this index, Yzaguirre explained that it exceeds that of the IBEX 35: The mean yield of the FTSE4Good Ibex in the period from 2000 to 2008 is 14.9%, versus the 12.0% turned in by the IBEX 35; the FTSE4Good passed the IBEX 35 every year except in 2007. In terms of risk or volatility in the same period 2000-2008, the FTSE4Good reached 14.87% whereas the IBEX 35 stood at 16.35%.