BM&FBOVESPA
The New Exchange

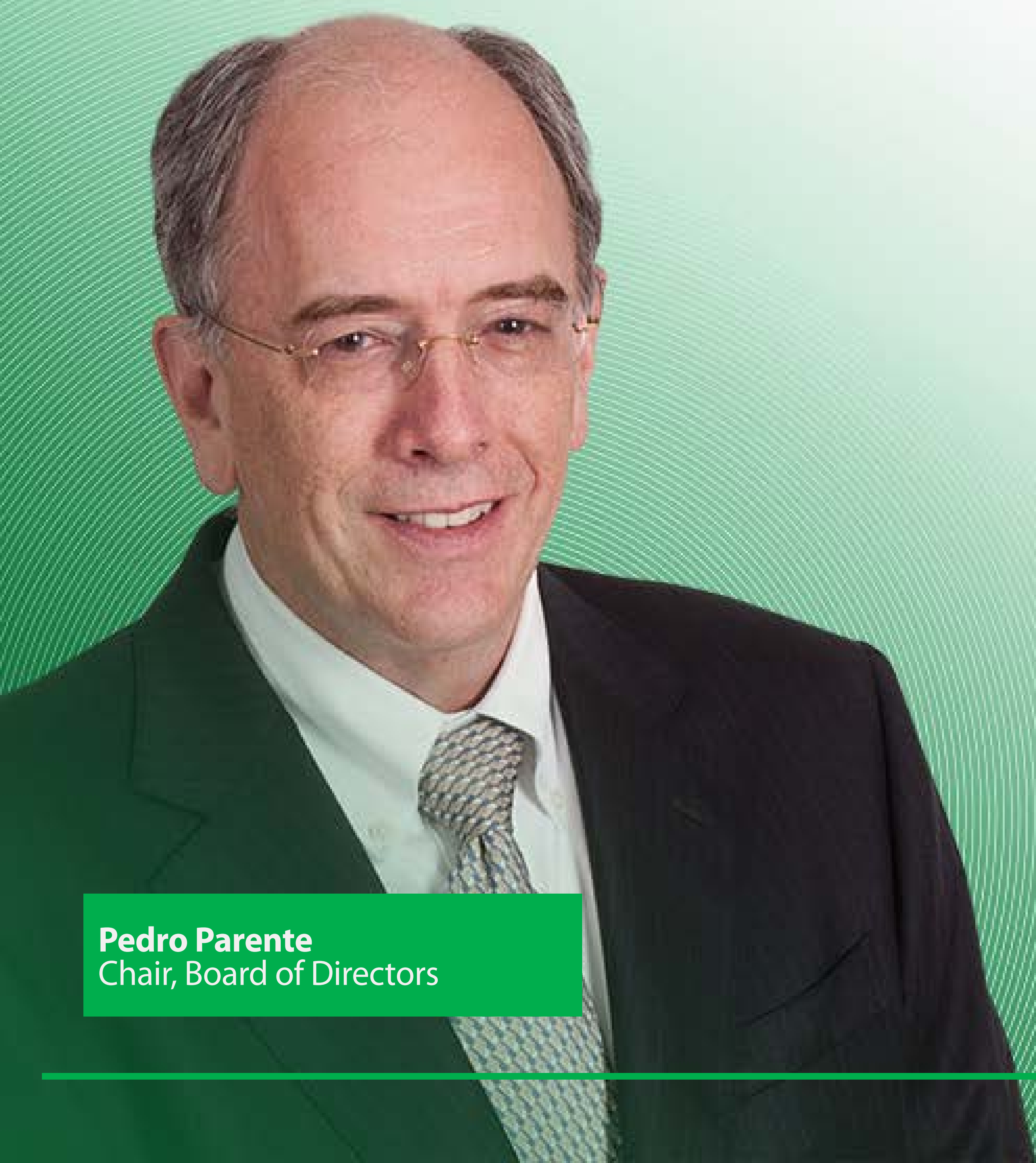
Your Future Well Invested

Annual Report 2014

Message from the Board of Directors

Governance is the answer

A major reference in discussions of corporate governance has long been the Cadbury Report, issued in the UK in the early 1990s after a wave of scandals.



Pedro Parente
Chair, Board of Directors

“Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals,” wrote Sir Adrian Cadbury, who chaired the committee responsible for the report. “The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society.”

The problems that surfaced in state-owned enterprises in 2014 affected the entire Brazilian economy with repercussions for the image of our capital markets. The impressive succession of facts and events astounded the nation and led everyone to seek a response.

Corporate governance is the heart of the matter. Brazil faces an unprecedented opportunity to establish institutional mechanisms capable of ensuring that SOEs find the necessary balance between efficient use of resources and accountability.

The effects will be powerful. Brazilians are proud of these state champions, which are engines of investment in vital sectors for the country. A governance system that protects these public-sector corporations and their shareholders against interests extraneous to their business objectives will significantly benefit society as a whole.

BM&FBOVESPA’s Board of Directors has striven to do its homework from the standpoint of the full exercise of corporate governance. The company does not have a clearly defined controlling shareholder and is required to engage in several public-interest activities, such as self-regulation of its markets in accordance with the applicable legislation. All this means we face far from trivial challenges in the sphere of corporate governance.

The Board’s obsession has been to enhance the rules of the exchange incessantly so as to guarantee for shareholders and other stakeholders the balance recommended by Cadbury between social and economic goals, efficient use of resources, accountability and alignment of interests. In day-to-day activities this is assured by the work of its Audit, Governance & Nomination, Compensation, Risk and Intermediation Industry Committees.

In 2014 the Board held 13 meetings, of which nine were face-to-face and four via videoconferencing. Discussion of strategic issues accounted for 34% of the total time taken by the meetings, while 33% was devoted to reports by the coordinators of these committees, which demonstrates their relevance to the effective functioning of the company’s governance mechanisms.

The Audit Committee oversees the activities of the independent accountants who scrutinize the company’s financial statements, as well as its own internal auditing, control and corporate risk surveillance activities. It continuously monitors and reviews the internal control mechanisms and corporate risk management systems. In 2014, among other initiatives, it evaluated the implementation of the clearinghouse integration project and the management compensation policy. It also recommended the enhancement of policies, practices and procedures governing money laundering prevention, transactions with related parties and management of third parties.

In 2014 the succession of top management – executive officers, directors and managing directors – was one of the main tasks of the Governance & Nomination Committee, which also participated in organizational changes leading the Departments of Auditing, Issuer Regulation and Ombudsman to report directly to the Board of Directors.

The Compensation Committee's remit is to ensure that the company has effective mechanisms and policies to align the interests of employees and shareholders with the company's business goals. Thus in the past year, for example, it has been working to change the system of long-term incentives that will serve more efficiently the alignment of objectives interests of beneficiaries with the company and its shareholders in the long term and the purpose of staff retention.

The Risk Committee met ten times in 2014, discussing mainly the analysis of counterparty risk but also other subjects such as approval of risk management policies and the results of visits to exchanges in Europe, Asia and Oceania as part of its governance structure benchmarking exercise relating to internal controls, compliance and corporate risk. The committee's main remit requires monitoring of the evolution and treatment of corporate risks.

The Intermediation Industry Committee met nine times during the year. Its agenda was a busy one, given the challenges presented by the economy, the markets and the industry itself, which is essential to the Exchange. We devoted much of our time to discussions with representatives of the industry and the regulators in search of greater flexibility and segmentation opportunities for brokerage houses, with the initiative of creating the categories of Trading Participant (PN) and Full Trading Participant (PNP), among others.

Our initiative to modernize regulation of participants is important not only because the industry is undergoing major changes worldwide but also because the economic environment in Brazil will remain difficult in 2015. The economic policy adjustments required, as well the electricity and water supply shocks, will probably lead to a fall in investment, with the resulting impact on the financial and capital markets.

Over the years BM&FBOVESPA has contributed to the corporate governance debate and done much to enhance best practice in this area. Moreover, we are effectively involved in the process of seeking a development model in which the conduct of business activities is inspired by sustainability and private social investment.

Creation of the Novo Mercado listing segment was a watershed, establishing a voluntary arena for companies to offer investors corporate governance rules superior to those required by law.

BM&FBOVESPA also set an example by being the first exchange to sign the UN Global Compact, adhering to the Principles for Responsible Investment (PRI), launching the Corporate Sustainability Index (ISE) and participating in the Global Reporting Initiative (GRI).

More recently BM&FBOVESPA has also created rules to facilitate access to its markets by smaller companies with high growth potential. The federal government provided essential support for this initiative by introducing incentives that reduce capital costs for companies seeking funds for investment on the stock exchange via initial public offerings.

The projects scheduled for completion in BM&FBOVESPA's investment plan have been delivered as promised despite the decline in trading volume seen during the year, as well as significant market volatility. These investments have put the Exchange's systems as a whole at a very high level, shielding us against stormy weather and preparing the company for auspicious times ahead. These achievements substantially transform the trading infrastructure and reaffirm the company's commitment to the encouragement of best practice and changes with ample positive externalities for all stakeholders.

Pedro Parente
Chair, Board of Directors

Message from the CEO 1.1

The year of deliveries

2014 was a superlative year for deliveries by BM&FBOVESPA. We now offer the market an infrastructure that is unrivaled worldwide in terms of sophistication, benefits and security. On August 18 we launched the unified clearinghouse in its first module, as well as the new integrated risk management system known as CORE. A transformation on this scale is unprecedented save for implementation of the new Brazilian Payment System (SBP) by the led by Central Bank in 2002.

Edemir Pinto
Chief Executive Officer

The exchange's new infrastructure enhances the efficiency of capital allocation, increases potential returns to investors and will support volume growth for the next 20 years. The gains for our nation's markets range from solidity to competitiveness to cost savings.

The BM&FBOVESPA Clearinghouse and CORE join the new Data Center as part of the largest investment plan in the company's history, totaling R$ 1.5 billion. The PUMA Trading System, also included in the scope of this plan, has already demonstrated its robustness by keeping availability intact despite the sharp market swings seen in 2014.

To state-of-the-art infrastructure the company added new products and services. In the over-the-counter market, the first operations involving Structured Transaction Certificates (COEs) were registered, among other innovations. And a partnership agreement with S&P Dow Jones enabled us to create new stock indexes.

BM&FBOVESPA's historical commitment to sustainability was once again in evidence in 2014, when it completed ten years of adherence to the UN Global Compact and began to celebrate the tenth anniversary of the Corporate Sustainability Index (ISE) in 2015. Since 2011 we have issued integrated annual reports containing both financial and non-financial information. Furthermore, BM&FBOVESPA was the first emerging-market exchange to sign up to the Principles for Responsible Investment (PRI) and participate in the Global Reporting Initiative (GRI).

The company's efforts to broaden the business horizons of its participants produced two major achievements in 2014. The federal government responded positively to calls from the Small Offerings Technical Committee to exempt individual investors from capital gains tax when trading stock issued by small and medium enterprises. This measure and other initiatives by BM&FBOVESPA and CVM, Brazil's securities commission, aim above all to facilitate access to the capital markets for SMEs.

In addition, CVM approved the new model proposed by BM&FBOVESPA for intermediation activities, creating the categories Full Trading Participant (PNP) and Trading Participant (PN), which will increase our capacity to attract new investors.

This impressive set of changes, novelties and deliveries took place in the context of severe turbulence, which did not dampen BM&FBOVESPA's commitment to managing its markets with quality, efficiency and constant innovation.

The outlook for 2015 is that the macroeconomic environment will again be challenging, but this time with the prospect of the adjustment required to anchor the market's expectations.

The recovery of confidence will find BM&FBOVESPA even stronger and more solid, with new products, services and systems that reflect its vocation: offering a complete platform for customers to mitigate risks and expand investments.

Edemir Pinto

Chief Executive Officer

BM&F BOVESPA
The New Exchange

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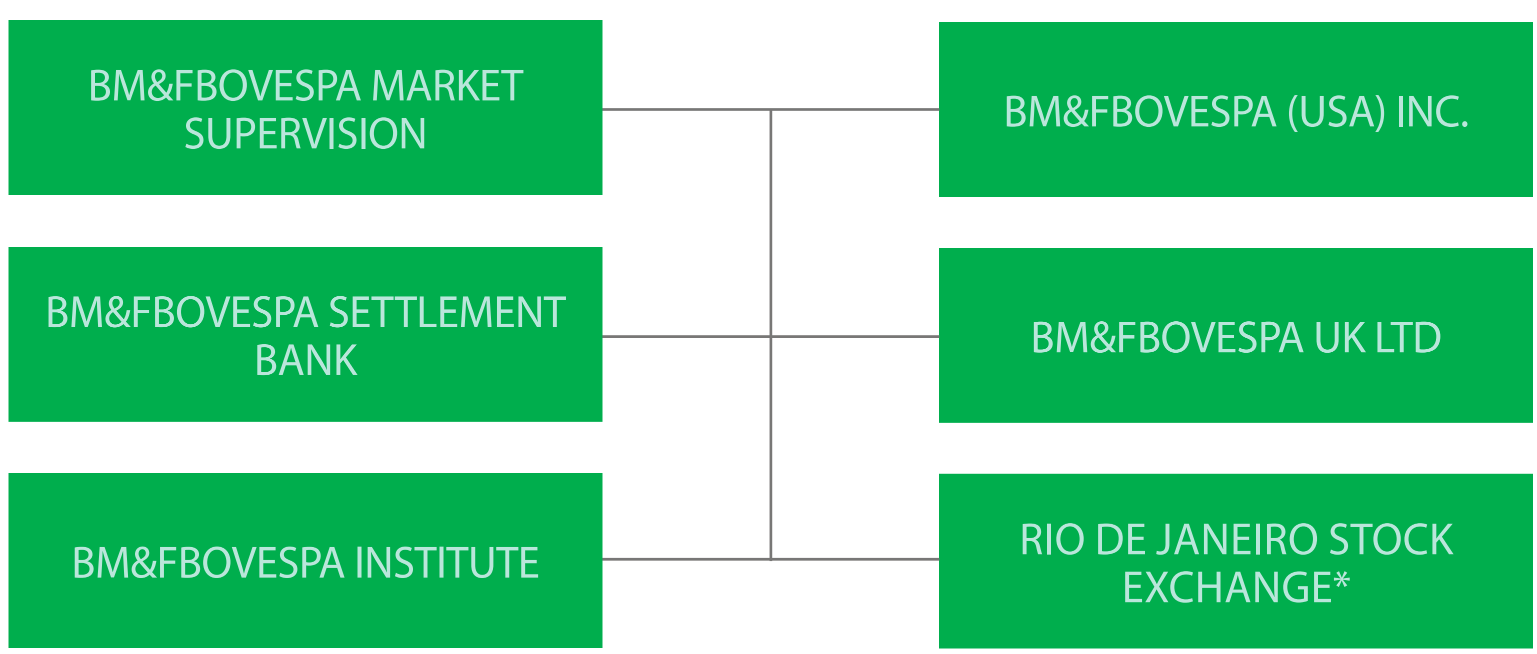
Who we are

Bolsa de Valores, Mercadorias e Futuros S.A. – BM&FBOVESPA S.A. is a public company. Its stock trades under ticker symbol BVMF3 on Novo Mercado, the premium listing segment for companies committed to the highest standards of corporate governance. BVMF3 is tracked by the Ibovespa, IBrX-50, IBrX and ITAG indexes, among others. [2.1/2.6]

Headquartered in the city of São Paulo, Brazil, the group also includes the following companies: BM&FBOVESPA Market Supervision (BSM), BM&FBOVESPA Settlement Bank, and BM&FBOVESPA Institute. [2.3/2.8]

The company has representative offices in New York (USA), London (UK) and Shanghai (China) to support local market participants and maintain relations with regulators and governments, as well as to visit for potential investors and disseminate information about the Brazilian market. [2.4/2.5]

Group companies [2.3]



* BVRJ is an inactive exchange.

In 2014 BM&FBOVESPA had 1,357 employees and 85 trainees. The company's market value was R$18.715 billion on December 31. There were no relevant changes in its size, structure or equity ownership during the year. [2.9]

Markets served

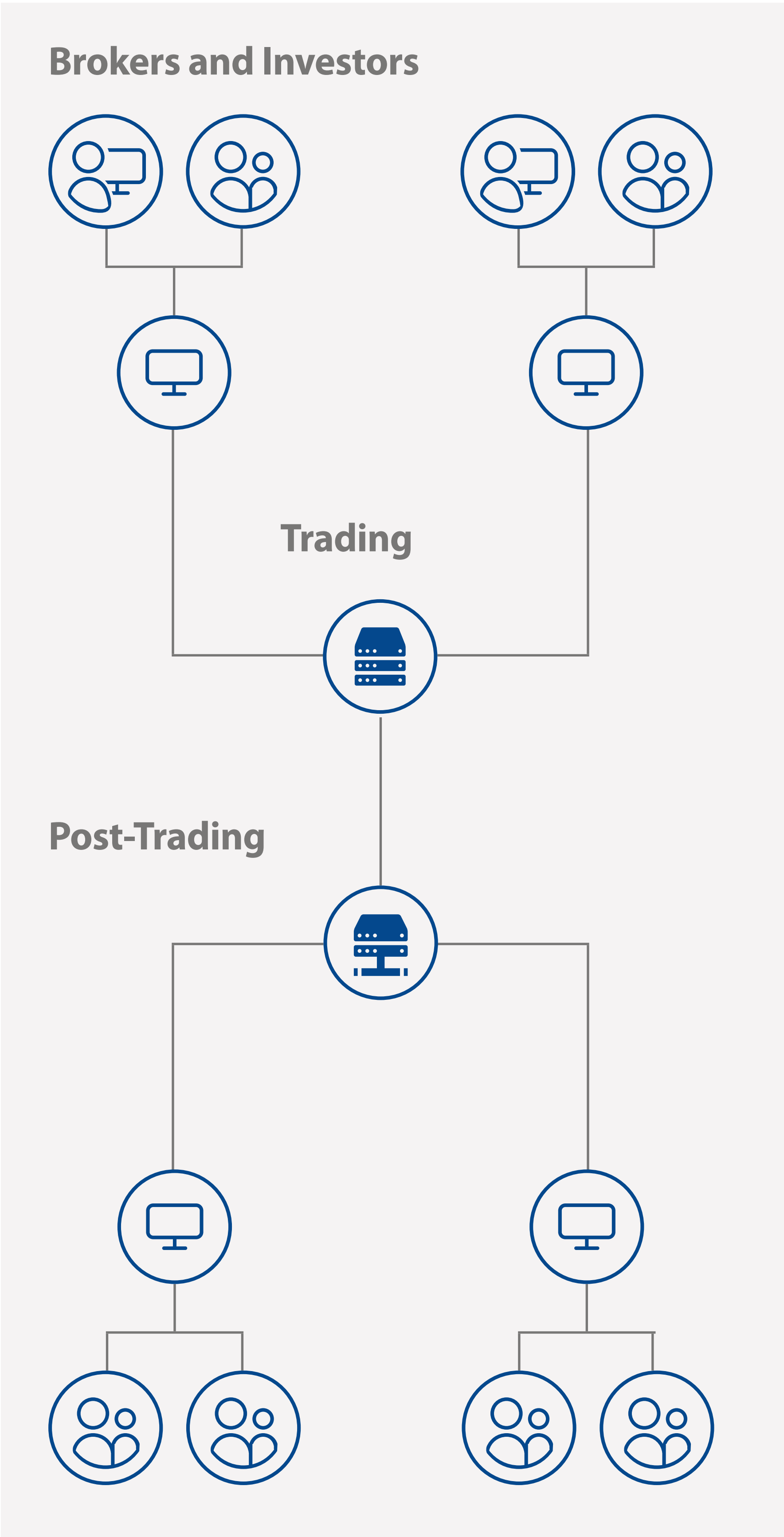
BM&FBOVESPA's prime objectives are managing organized markets for the trading of stocks, bonds and derivatives, providing registration, clearing and settlement services, and acting as central counterparty to guarantee cash settlement of the transactions performed in its environments. [2.7]

The company offers a range of products and services, including trading in stocks, bonds, spot foreign exchange, and derivatives contracts based on equities, financial assets, indexes, rates, agricultural commodities and spot currencies, among others. It lists companies and other issuers of securities, acts as a central securities depository, manages securities lending transactions, certifies commodities, and licenses software. It also supplies market data and operates an over-the-counter market in derivatives and fixed-income securities. [2.2]

Business model

BM&FBOVESPA stands out in the exchange industry for its vertically integrated business model, which enables the company to operate in all stages of the process. This means it provides all the services required by market participants (issuers, brokerage firms and investors), from organizing purchase and sale transactions to clearing and risk control, settlement, and custody of securities.

This verticalized structure is crucial to the company's growth model, based on credibility, reputation, and an experienced management team attentive to trends and opportunities in the global exchange industry and to best practice in corporate governance.



BROKERS AND INVESTORS

Clearing, settlement and central securities depository services and infrastructure.

TRADING PLATFORMS

- Equities
- Derivatives
- Corporate and government bonds
- Spot dollar

POST-TRADING PLATFORMS

Central Counterparty: intermediates between parties to transactions, acting as buyer to all sellers and seller to all buyers for settlement purposes.

Settlement System: enables transfers of securities and other assets between investors (free of charge or against payment).

Central Securities Depository: provides centralized safekeeping of securities and treatment of corporate events (payouts, stock splits etc.).

How we add value

As an intrinsic part of its business activities, BM&FBOVESPA fosters an innovation culture by encouraging new practices and creating new products and services that anticipate demand from participants in its markets, make its processes more efficient, minimize adverse effects on society and the environment, and above all add value.

Technological innovation

The launch of PUMA Trading System, BM&FBOVESPA's new electronic platform, has increased the company's technological and trading capacity. Alongside other initiatives, this will drive growth in market participants.

BM&FBOVESPA has also taken important steps to increase its competitiveness and operational excellence. In 2014 it unveiled its new data center, completed the first stage of the post-trading integration project, and implemented CORE (CloseOut Risk Evaluation), one of the most secure and efficient risk management systems in the world.

The efficiency gains and reduction in operational risk resulting from rationalization of internal processes will bring more agility and flexibility for innovations and product launches. The technological solution adopted will provide countless benefits for the Exchange, investors, participants, and regulators of its markets.

Encouraging best practice

The company maintains its commitment to the principles of transparency and ethics consolidated by its special listing segments for issuers with high standards of corporate governance (Novo Mercado, Corporate Governance Levels 1 and 2, and Bovespa Mais).

Another example of the policy of encouraging best practice is the development of "green" indicators, such as the Corporate Sustainability Index (ISE) and the Carbon Efficient Index (ICO2).

Through a number of initiatives BM&FBOVESPA also extends best practice in transparency and management to its stakeholders. An example is the Report or Explain initiative, which ensures that steadily growing numbers of listed companies adopt the practice of disclosing social, environmental, governance-related and other non-financial information, for which there is growing demand from the general public as well as investors, who increasingly perceive sustainability-related issues as an important variable impacting business performance.

It is worth recalling that since 2012 BM&FBOVESPA has adopted Report or Explain guidance recommending that listed companies state in item 7.8 of the Reference Form ("Description of the company's relevant long-term relationships not elsewhere described") whether and where they publish a regular sustainability report or an integrated annual report, or explain why not.

By sharing and disseminating values such as corporate governance, a commitment to business sustainability and management excellence, which differentiate Brazilian companies and attract investors from all parts of the world, BM&FBOVESPA pursues market security and integrity as top priorities.

Corporate sustainability

BM&FBOVESPA has sought to identify and as far as possible to mitigate the negative externalities of its activities, harmonizing these measures with the goal of adding value for shareholders and other stakeholders.

Because the company considers corporate sustainability a competitive advantage, it integrates sustainability an ongoing basis into everything it does, from decision making and management processes to the products it offers and the services it provides.

The Novo Valor program is the umbrella for the company's sustainability initiatives, whose overarching objective is to promote not just its own sustainable development but also that of the capital markets in general.

Reaffirming the strategic importance of this theme for the company, BM&FBOVESPA enforces a Sustainability Policy, approved by the Board of Directors.

Its actions in this regard involves all internal and external stakeholders, from BM&FBOVESPA's employees, suppliers and contractors to brokerage houses, analysts, opinion formers, shareholders, investors, governments and civil society, with the aim of stimulating reflection both inside and outside the company on the main sustainability-related issues in Brazil and the world. Relations with suppliers are a good example. Selection of the Exchange's suppliers is based on sustainability criteria, supplier contracts must comply with its Policy for the Acquisition of Goods & Services, and a Supplier Code of Conduct is in force.

Social investment focusing on community development is also part of BM&FBOVESPA's initiatives as a signatory to the United Nations Global Compact, a strategic policy initiative for businesses to promote sustainable growth by supporting ten internationally accepted principles in human rights, labor relations, the environment and anti-corruption.

Encouraging knowledge acquisition and production

As the only exchange in operation in Brazil, BM&FBOVESPA recognizes its duty to train the professionals who operate in its markets and to raise public awareness of the importance of saving and investing for the long term.

In addition to acting as the main center of education and training for its markets, the BM&FBOVESPA Educational Institute offers financial education programs for a wide variety of groups ranging from first-time investors to executives, encouraging the formation of personal wealth and constantly enhancing Brazil's competitiveness.

Recognition 2.10

Transparency Trophy – In 2014, for the sixth consecutive year, BM&FBOVESPA was awarded the Transparency Trophy in the category Public Companies with Annual Sales of up to R$5 Billion by the National Association of Finance, Administration & Accounting Executives (Anefac), the Accounting, Actuarial & Financial Research Institute Foundation (Fipecafi) and Serasa Experian.

IR Magazine Awards – BM&FBOVESPA was the runner-up in the renowned US magazine's 2014 awards for Best IR by a Latin American Company.

Latin America Executive Team Ranking – In 2014 the company ranked second in the Financials/Nonbanks category. BM&FBOVESPA's head of investor relations was also recognized, ranking third in the Best IR Professional category.

FOW International Awards – For the third year running, BM&FBOVESPA has received the Exchange of the Year Award for South America, given by the Futures & Options World (FOW) magazine.

BM&F BOVESPA
The New Exchange

Strategies and Analysis 1.2

New solutions for growth

BM&FBOVESPA is proud to be one of the major drivers of change in the Brazilian financial markets and exchange industry. Execution of its long-term strategic plan proceeds along the established development path, but it is a constant challenge to continue sustaining growth in the midst of acute volatility and macroeconomic turbulence.

The strategic guidelines defined and approved by the Board of Directors and Executive Board prioritize revenue growth and diversification, operational excellence, customer focus, and institutional strengthening. Above all, they are aligned with a vision of corporate sustainability and the company's role in encouraging practices based on socio-environmental as well as economic and financial criteria in decision making and business activities generally.

Without doubt 2014 was a year of significant achievements. The highlights were a number of projects that will enhance efficiency and flexibility while changing the financial and capital markets in coming years: completion of the first stage of unification of the clearinghouses and introduction of the CORE system, initiatives for small caps, and the unveiling of a new data center.

In pursuit of opportunities to accelerate growth, BM&FBOVESPA also proactively builds customer relations and identifies market demands and tendencies, as exemplified by restructuring of the exchange access model and enhancement of its price structure.

The company's diversified and totally integrated business model gives it a competitive edge by making the Exchange highly secure and generating economies of scale that benefit its shareholders and strengthen the market, as exemplified by the continuous development of the PUMA Trading System platform, the launch of the unified clearinghouse, and the improvements made to the over-the-counter (OTC) segment.

Another distinctive feature of the company in its commitment to excellence is constant investment in self-regulation and supervision. Through BM&FBOVESPA Market Supervision (BSM), an independent organization that acts as an ancillary arm of CVM, Brazil's securities and exchange commission, the company assures the proper functioning of the markets, bolstering investor protection. BSM is also responsible for the Operational Qualification Program (PQO), which certifies the quality of the services provided by brokerage houses, encompassing customer registration, order execution, settlement, risk management, information security and business continuity.

In accordance with its commitment to continue enhancing its technology infrastructure and operating efficacy while also optimizing its risk management system, BM&FBOVESPA reaffirmed its investment budget of between R$200 million and R$230 million for 2015, and between R$165 million and R$195 million for 2016.

At the same time the company worked on internal initiatives such as prioritization of activities, a review of contracts, and process improvements focusing on cost savings. The 2015 adjusted expense budget was revised to between R$590 million and R$615 million.

Finally, BM&FBOVESPA continued to focus on its commitment to returning capital to shareholders, using most of the cash generated from operations to distribute dividends and buy back shares.

STRATEGIC DRIVERS

REVENUE GROWTH & DIVERSIFICATION

OPERATIONAL EXCELLENCE

CUSTOMER FOCUS

INSTITUTIONAL STRENGTHENING

Unified clearinghouse: a pioneering project

The new post-trading model, BM&FBOVESPA's main project and responsible for a large proportion of investment totaling some R$1.5 billion, represents a milestone in the company's evolution and history.

The complex integration process began in 2010 and over the four years since then has involved more than 400 employees, multiple stakeholders, a survey of international trends in processes and technology, drafting of rules and manuals, integrated testing, certification of participants, 11 parallel production cycles, and authorization by the Central Bank of Brazil.

On August 18, 2014, the derivatives markets migrated to the new clearinghouse and the new risk management system, CORE, was launched, completing the first stage of integration of BM&FBOVESPA's clearinghouses.

Completion of the first stage was a major step, but new and complex challenges lie ahead owing to the large volume of transactions and larger numbers of people involved. When all securities and assets are organized in a single environment there will be only one participant structure, a single set of operating processes and rules, a single settlement window, and a single risk and collateral management system, benefiting the entire market. This technology infrastructure will support volume growth for the next 20 years.

CORE: security and cost saving for the market

Developed by BM&FBOVESPA with a multidisciplinary team comprising professionals who specialize in risk management, statistics, mathematics and computation, as well as international consultants, CORE (CloseOut Risk Evaluation) is one of the most advanced and secure risk management systems in the world today.

CORE is responsible for quantifying potential losses in the event of default by one or more participants and their impact on the safeguard structure. The system is designed specifically to estimate closeout risk for portfolios consisting of multiple classes of assets and instruments, in both the exchange and OTC markets. It enables market risk, liquidity risk and cashflow risk to be assessed in a consistent and integrated manner.

This method of modeling closeout risk differs considerably from the approach traditionally used by other market agents (banks, fund managers, asset managers etc.), which seeks only to measure potential adverse variations in the market value of a fixed portfolio.

CORE will increase the robustness of BM&FBOVESPA's central counterparty (CCP) risk management processes, already recognized worldwide for the high level of protection they assure, as well as enhancing the efficiency of capital allocation, reducing margin requirements for investors and market participants, lowering transaction costs, and increasing potential returns to investors.

OTC market: flexibility and speed

BM&FBOVESPA reiterates its commitment to customers to maintaining a complete portfolio of products and services. The over-the-counter (OTC) market offers a high-quality solution, delivering all kinds of financial services in a single place and staffed by a specialized team to afford greater control and optimization for the management of operations with adequate costs.

In 2014 BM&FBOVESPA's iBalcão OTC platform registered the first operations involving Structured Transaction Certificates (COEs), Certificates of Deposit (CDs) and Real Estate Credit Bills (LCIs). Initially there will be 53 COE structures on offer, permitting variations in hundreds of different transactions referenced to equities, equity indexes, interest-rate indexes, inflation, and currencies.

iBalcão consists of flexible modules that enable participants to manage the complete lifecycle of derivatives, fixed-income securities and other bank funding instruments, bolstering flexibility and speed for participants.

New instruments scheduled for registration in 2015 include variable-yield CDs, bank bonds (*Letras Financeiras*), and COEs for physical delivery and repurchase commitments.

New data center: increased capacity and optimization

AGÊNCIA LUZ

BM&FBOVESPA's data center is part of a strategic plan requiring investments of approximately R$1.5 billion, and also including PUMA Trading System, the new clearinghouse, CORE, and new solutions for the OTC market.

With 10,000 square meters of floor space, the new data center will increase the supply of services and solutions, assure business growth with cutting-edge technology and international standards, reduce operating costs, and simplify operations with high levels of security, reliability and robustness.

The facility is certified as Tier 3 by Uptime Institute, a global authority for certification of enterprise data center systems. This means all site infrastructure is redundant and concurrently maintainable, including telecommunications, uninterruptible power supplies (UPS), generators and air conditioning, with two independent power and cooling paths. The building is also certified to LEED (Leadership in Energy and Environmental Design), the US Green Building Council's sustainable building standard, and has sustainable equipment such as very high energy efficiency generators and chillers, as well as a sewage treatment plant.

Small offerings: an alternative for capitalization

Although we have one of the most advanced and reliable securities exchanges in the world, the number of Brazilian companies listed is very small. Inspired by this perception – and considering the importance of small and medium enterprises for the national economy, as well as the challenges faced by SMEs to find sustainable forms of financing –representatives of government and the private sector have joined forces to discuss ways of fostering their growth via the capital markets.

In 2013 the Brazilian Industrial Development Agency (ABDI), the National Development Bank (BNDES), BM&FBOVESPA, the Securities & Exchange Commission (CVM) and the Brazilian Innovation Agency (FINEP) established the Small Offerings Technical Committee. The committee's diversity of representation contributed immensely to the discussions and generated a set of proposals that were submitted to the federal government and private entities for analysis.

On July 10, 2014, in response to one of the proposals submitted by the Small Offerings Technical Committee, the Finance Ministry announced Provisional Measure 651 (Law 13.043, of 13/11/2014), which exempts individuals from income tax on capital gains when they invest in shares issued by SMEs. The benefit applies to companies with annual revenue of up to R$500 million and market cap of up to R$700 million on the date of the stock offering. Companies must be listed on Bovespa Mais or Novo Mercado, the segment for issuers with rigorous corporate governance practices. The tax incentive will remain in force until 2023.

Other initiatives launched by the Small Offerings Technical Committee include a reduction in the cost of maintaining a public company, and education and training programs for entrepreneurs and executives. BM&FBOVESPA has made changes to facilitate the entry of SMEs into its markets, such as exemption from the issuer listing analysis fee and a discount on the annual exchange fee, reduction to zero of the offering settlement fee, and two-year sponsorship of the analysis report for eligible companies listed on Bovespa Mais.

Along the same lines the Exchange has also issued new issuer listing rules, in force since August 2014, with the aim of improving the quality and consistency of the information provided by companies, aligning listing in Brazil with international best practice, and standardizing and modernizing procedures to simplify processes and automate them in future, so that the Exchange can list more issuers in less time and assure risk mitigation as well as increased investor interest.

Finally, CVM has changed the rules for restricted public offerings and included stocks and other products in the list of assets that can be offered to the market without the obligation to request registration. All these changes, which also took into consideration the suggestions presented by the Small Offerings Technical Committee, will shorten the time taken to launch IPOs and facilitate access to the capital markets by SMEs.

New access model: flexibilizing the market

Building ever closer ties with stakeholders and reinforcing its commitment to efficiency, partnership, innovation, trust and solidity, BM&FBOVESPA has developed a new model to enable securities dealers and distributors to perform their activities more effectively, including the creation of two new categories: Full Trading Participant (FTP) and Trading Participant (TP).

The new access model, approved by CVM in 2014, aims to strengthen and create commercial and strategic alternatives for the intermediation industry, offering new arrangements and business models as well as the possibility of a higher degree of specialization.

Regardless of category, supervision of institutions will be performed by BSM, the Exchange's regulatory body, contributing to risk mitigation for the sector. Institutions that opt for accreditation as TPs will service customers, but FTPs will be responsible for settlement and access to BM&FBOVESPA's trading environment. In addition, TPs and their customers will have access to the Loss Recovery Mechanism (MRP).

Existing FTPs may migrate to the TP model, requesting withdrawal of the required collateral once their FTP status has been discontinued. The opposite movement will also be allowed, provided the conditions established by the Exchange are met.

The new access model should be in operation at the start of 2015. Participants are expected to acquire greater capacity to attract new investors, decrease costs and increase their competitiveness.

Development of products and services

One of BM&FBOVESPA's priorities is the continuous development of products and services that meet the needs of its stakeholders.

This commitment entails increasing the liquidity of listed products and the securities lending service via growth in inventory and trading volume and the upgrading of this platform; developing infrastructure to foster growth in the activities of market makers and high-frequency traders (HFTs); expanding the portfolio designed for the individual investor profile with products such as Treasury Direct, fixed-income ETFs, and real estate investment funds (FIIs); and cross-listing of futures contracts.

In 2014, in response to demand, the Exchange launched the 6/7 Arabica Coffee Futures Contract and Put and Call Options; and the iShares S&P 500 ETF, the first foreign index fund to list on BM&FBOVESPA.

The year also saw the start of trading in Twitter Inc.'s, Facebook Inc.'s, Tiffany & Co's, United Technologies Corp's, U.S. Bancorp's and Walgreen Co's Unsponsored Level I BDRs; and competitive bidding processes to select market makers for the following: S&P 500 Futures Contract Settled in Cash to the CME Group S&P 500 Quotation; Options on Stock Issued by BM&FBOVESPA, Ambev, Cielo, BRF and Usiminas; Options on Stock in Itaú Unibanco Holding; Options on Stock Issued by PDG Realty, Cia. Siderúrgica Nacional, Cyrela Brazil Realty and iShares Ibovespa Index Fund; and Options on Stock Issued by Bradesco, Gerdau and Banco do Brasil.

To take advantage of opportunities to develop the Brazilian capital markets, in November 2014 BM&F-BOVESPA and S&P Dow Jones Indices (S&P DJI) signed a memorandum of understanding for the joint creation of new stock indexes to be calculated, published and marketed by S&P DJI. Indexes based on market factors (dividends, volatility and multi-asset), as well as risk control and sector indexes, are among the products to be considered.

Enhancement of pricing and incentive structure

BM&FBOVESPA has made considerable efforts to enhance its pricing and incentive policy as an important instrument for the development of products, markets and services, as well as alignment with dealers and other actors in the distribution channel.

In 2014 the company introduced a number of measures designed to revise the pricing, discount and incentive model, adjust prices for inflation, and price new products and services.

The measures announced will enter into force in 2015. They are as follows: removal of the discount for Direct Market Access (DMA) in the BM&F segment; elimination of incentives for local lenders in the securities lending service; removal of the analysis fee discount on the annual fee for issuers and creation of analysis fees for tender offers (OPAs), IPOs and follow-on offerings; market data price restructuring and creation of new market data products and services; repricing of options on stock index futures; repricing of custody and Depositary Receipt (DR) program maintenance fees and creation of custody transfer fees; and restructuring of rates in interest-rate derivatives (DI futures).

Risk management

BM&FBOVESPA's performance depends partly on its capacity to maintain and increase trading volume. In this context the key aspects for the company are risk management, technological environment, growing the customer base and competitive product and service offering, and the structure of regulation and supervision, among others.

The company has an advanced risk management structure. BM&FBOVESPA acts as central counterparty (CCP) in the equity, derivatives, spot dollar, government bond and corporate debt markets. By acting as CCP it assumes responsibility for the settlement of transactions executed through its systems and/or registered with them. As such it intermediates between the parties to each transaction, acting as buyer to all sellers and seller to all buyers for settlement purposes.

Thus if a participant fails to discharge its obligations to the clearinghouse, BM&FBOVESPA must activate safeguards and ultimately have recourse to its own funds. To manage the risks inherent in this function, the CCP focuses on calculating, controlling and mitigating its credit-risk exposure to participants.

BM&FBOVESPA has a structure of safeguards – resources and mechanisms that can be used to cover losses relating to settlement failure by one or more participants, including the collateral pledged by market participants, generally in the form of margin deposits, funds specifically set up for this purpose, special assets, and co-responsibility for settlement assumed by brokerage houses and clearing members or agents.

Risk factors

The factors that may adversely affect BM&FBOVESPA's performance include the following, without limitation:

- Market acceptance of the services provided;
- Volatility relating to the Brazilian economy and securities market;
- Changes in legislation and taxation in Brazil and abroad, and in government policies relating to the financial and securities markets;
- The ability to adapt to rapid changes in the technological environment, including the implementation of optimized functionalities required by customers;
- The capacity to maintain a continuous process of new product and service introduction while maintaining the competitiveness of existing products and services;
- Increasing competition with new participants in Brazilian markets;
- The ability to expand its product offering at home and abroad.

About this Report

This annual report details the performance of BM&FBOVESPA and operations conducted between January 1 and December 31, 2014, at its head offices in São Paulo, Brazil. The previous report was published in February 2014 and referred to the company's operations in 2013. 3.1 / 3.2 / 3.3 / 3.6 / 3.8

The consolidated financial statements were prepared on the basis of the International Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), implemented in Brazil by the Accounting Pronouncements Committee (CPC) and its technical interpretations (ICPC) and guidelines (OCPC), approved by the Brazilian Securities Commission (CVM). 3.9

No significant restatements or changes have been made with regard to 2013 that influence the comparability of the data and information provided in previous reports. Similarly, there have been no significant changes in the size and structure of the company or its capital structure, and no specific restrictions have been made to the scope, boundaries or measurement methods used. 3.7 / 3.10 / 3.11

This is the sixth consecutive annual report published by BM&FBOVESPA in accordance with Global Reporting Initiative guidelines (GRI 3.1, Level C), integrating financial information with socio-environmental data and information on the company's sustainability initiatives and management best practice. It should be stressed that aspects referenced to GRI-G4 have been voluntarily included with the aim of extending the company's indicator management tools.

The production of annual reports involves ten areas of the company in indicator management, under the coordination of five departments (Communication, Human Resources & Education; Internal Controls, Compliance & Corporate Risk; Finance; Press & Sustainability; and Investor Relations). The process is overseen by a firm of communication consultants, especially with regard to socio-environmental topics.

BM&FBOVESPA has not tested the contents of this annual report for materiality. However, it presents the key data and information gleaned from all areas of the company and is intended to be read by all stakeholder groups, including employees, contractors, suppliers, market participants, shareholders, government and regulators, among others. 3.5 / 3.9

The financial statements were audited by Ernst & Young Auditores Independentes. 3.13

The 2014 Annual Report is available online from BM&FBOVESPA's IR website (**http://ri.bmfbovespa.com.br**) and has been printed only in a summarized version on certified paper with vegetable oil-based ink to minimize the environmental impact of print publication.

The GRI Content Index is on page 144. 3.12

For more information about this report, contact Investor Relations at the email address **ri@bmfbovespa.com.br** 3.4

BM&F BOVESPA
The New Exchange

Corporate Governance

Corporate governance guidelines

The paramount objective of BM&FBOVESPA's corporate governance is to contribute substantially to the achievement of its strategic targets and create value for all shareholders while respecting relationships with other stakeholders.

The importance of best practice in corporate governance to the company's long-term success is all the greater in light of its widely dispersed equity ownership structure, without the existence of a single controlling shareholder or control group, and also in light of its institutional responsibility to the development of the markets it manages.

The stock issued by BM&FBOVESPA is listed on Novo Mercado, a special listing segment for companies that voluntarily commit to the adoption of the highest standards of practice in corporate governance in addition to those required by the applicable Brazilian legislation.

BM&FBOVESPA's compliance with the Novo Mercado Listing Rules has the following direct and immediate consequences, besides other benefits: extension of shareholder rights, enhancement of the quality of the information usually provided by public companies, and settlement of corporate and capital market disputes by an Arbitration Chamber, offering investors the security of a more agile and specialized alternative.

BM&FBOVESPA adopts a set of practices in line with the best recommendations of market agents and the main codes of corporate governance, evidencing the total commitment of the company and its management to the interests of shareholders and investors.

The company issues only common shares of stock with voting rights, assuring one vote per share at general meetings for each and every shareholder, in accordance with the provisions of its articles of incorporation and bylaws, and maintains a transparent dividend distribution policy based on objective criteria.

Main corporate governance practices [4.1]

Board of Directors

- The person who chairs the Board of Directors must not be the same as the person who occupies the position of CEO
- The performance of the Board of Directors and Executive Board as governing bodies is formally evaluated every year
- The Board of Directors is assisted by five advisory committees: Audit, Governance & Nomination, Compensation, Risk, and Securities Intermediation Industry
- A majority of members of the Board of Directors must be independent, and all must have ample experience and an excellent market reputation
- All members of the Audit Committee must be independent

Transparency and management

- A specific Investor Relations website is maintained with information regarding corporate governance
- Formalization and publication of governance guidelines and model
- Disclosure of substantial information on transactions with related parties
- Compensation of Executive Board members is aligned with the long-term interests of shareholders

Independent auditing

- Independent and internal auditing have systematic relations with the Audit Committee
- The Board of Directors formally evaluates the auditors' performance

Conduct and conflicts of interest

- Management and employees are required to sign an undertaking to comply with the Code of Conduct
- A company policy governs related-party transactions and other situations involving conflicts of interest
- Adherence to Arbitration Chamber to settle corporate and capital market disputes

Corporate governance structure

BM&FBOVESPA's governance structure consists of the Annual General Meeting of Shareholders (AGM), the highest governing body as determined by law; the Board of Directors, with its advisory committees; and the Executive Board.

Annual General Meeting [4.4]

Meetings of the company's shareholders are convened at least two weeks in advance for the first call and one week in advance for the second call. In addition to the powers established by law, shareholder meetings are empowered, among other things, to decide on the appropriation of annual earnings and their distribution to shareholders; and approve grants of incentive stock options or the issuance of stock to executives and employees of the company and its subsidiaries and affiliates.

To encourage participation by shareholders in general meetings, BM&FBOVESPA allows electronic proxy voting and authorizes some of its executive officers to receive proxy forms with specific instructions to vote on items of business.

Board of Directors

The members of BM&FBOVESPA's Board of Directors are elected by the AGM. The Board currently has 11 members, six of whom are independent. All members serve concurrent two-year terms and can be re-elected. [4.3]

According to the company's bylaws, no member of the Board of Directors may be appointed to the Executive Board or those of its subsidiaries and affiliates. [4.2]

The Board is responsible for establishing guidelines for BM&FBOVESPA's activities in pursuit of its strategic objectives, approving the main organizational plans and targets, establishing specific guidelines to be implemented internally, and monitoring the business performance of the company and its executives.

At end-2014 the members of the Board were as follows: Pedro Pullen Parente (Chair/independent member), Marcelo Fernandez Trindade (Vice Chair/independent member), Alfredo Antônio Lima de Menezes, André Santos Esteves, Charles Peter Carey, Claudio Luiz da Silva Haddad (independent member), Daniel Luiz Gleizer, José de Menezes Berenguer Neto, José Roberto Mendonça de Barros (independent member), Luiz Fernando Figueiredo (independent member), and Luiz Nelson Guedes de Carvalho (independent member).

The Board of Directors holds regular meetings every two months but can be convened whenever necessary.

Each year, with the support of the Governance & Nomination Committee, the Chair conducts a structured formal assessment of the Board of Directors as a body with the aim of systematically enhancing its efficiency. All members of the Board answer specific questions on strategic focus, decision making, motivation and alignment of interests, among others. The consolidated result is discussed at a meeting of the Board, which establishes plans for any improvements required. G4-44

Pedro Pullen Parente

Marcelo Fernandez Trindade

Alfredo Antônio Lima de Menezes

André Santos Esteves

Charles Peter Carey

Claudio Luiz da Silva Haddad

Daniel Luiz Gleizer

José de Menezes Berenguer Neto

José Roberto Mendonça de Barros

Luiz Fernando Figueiredo

Luiz Nelson Guedes de Carvalho

All members of the Board are well versed in economics, finance, environmental management and social investment. Their remuneration is set by the Compensation Committee. In 2014 the annual total was R$6,950,371.74, including fixed components and long-term incentives, currently represented by the Stock Options Plan approved by the AGM, as detailed in item 13 of the Reference Form (**http://ri.bmfbovespa.com.br**, Financial Information, Reference Form, page 112). G4-51 / G4-52

Advisory Committees to the Board of Directors

The Audit Committee, Governance & Nomination Committee, Compensation Committee, Risk Committee and Securities Intermediation Industry Committee report to the Board of Directors in an advisory capacity. Their members serve two-year terms.

Audit Committee – With five members, the Audit Committee evaluates and approves the structure of internal controls and the internal and independent auditing processes, and examines the financial statements and quarterly financial reports.

Governance & Nomination Committee – Consisting of three board members, two of them independent, this committee develops corporate governance, evaluates the adoption of best practices, and selects and nominates candidates to the Board of Directors and Executive Board.

Compensation Committee – Consisting of three board members, two of them independent, the Compensation Committee reviews, proposes and oversees adjustments to the parameters, guidelines and policy for remuneration and benefits to be assigned to top management, committee members and other advisory bodies. It also acts as an advisory body on improvements to the personnel management model.

Risk Committee – With five board members, the Risk Committee analyzes and assesses market, liquidity, credit and systemic risks in the markets managed by the company, with a strategic and structural focus.

Securities Intermediation Industry Committee – With six members, this committee evaluates problems affecting the institutions that participate in the markets managed by the company and submits capacity building suggestions to the Board of Directors.

More information on the Board of Directors and its Advisory Committees can be found on the IR website (**http://ri.bmfbovespa.com.br**, Corporate Governance, Committees).

Executive Board

Appointed by the Board of Directors, BM&FBOVESPA's Executive Board consists of the Chief Executive Officer, Chief Financial and Investor Relations Officer, Chief Operating Officer, Chief Technology Officer, and Chief Product Officer. The members of the Executive Board serve a two-year term and can be re-appointed.

The main functions of the Executive Board are to submit to the Board of Directors its annual management report and a proposal for the allocation of net income from the previous year; propose annual and multi-year budgets, strategic plans, expansion plans and investment programs; execute the established guidelines and monitor their results; establish guidelines of its own for the company's operational, socio-economic and sustainability-related activities; and perform within its remit all the activities necessary for the organization to function properly. G4-35

The Executive Board is also formally evaluated by the Board of Directors and its remuneration is set by the Compensation Committee. The amounts are approved annually and include fixed and variable components as well as long-term incentives, currently represented by the Stock Options Plan approved by the AGM. In 2014 the annual total was R$35,360,810.16, as detailed in item 3 of the Reference Form (http://ri.bmfbovespa.com.br, Reference Form, page 112). G4-51 / G4-52

Edemir Pinto
Chief Executive Officer

Cícero Augusto Vieira Neto
Chief Operating Officer

Daniel Sonder
Chief Financial and Investor Relations Officer

Eduardo Refinetti Guardia
Chief Product Officer

Luis Otávio Saliba Furtado
Chief Technology Officer

Committees that Advise and Assist the Chief Executive Officer

The company also has a number of committees that assist and advise the Chief Executive Officer, including:

- Sectoral Advisory Committees
- Corporate Risk Advisory Committee
- Operational Qualification Program Certification Committee
- Business Continuity Committee
- Information Security Management Committee
- Indices Committee
- Rules and Regulations Committee
- Anti Money Laundering Committee
- Sustainability Committee
- Credit Risk Technical Committee
- Market Risk Technical Committee

The composition of these committees and their responsibilities are available from the Exchange's website: **www.bmfbovespa.com.br**, BM&FBOVESPA, What the Exchange Does.

Strategic drivers 4.8 / G4-36 / G4-42 / G4-43 / G4-45 / G4-46 / G4-47 / G4-56

Aspects relating to economic, social and environmental responsibility grounded in the concept of sustainability are some of the company's strategic drivers, all of them integrated into the management of the company's business. In addition to the Press & Sustainability Department, two other multidisciplinary spheres of governance manage sustainability: the Sustainability Committee, responsible for strategic guidelines and approval of macro-initiatives; and the Sustainability Working Group, which proposes an agenda to the Board of Directors and manages the approved agenda.

BM&FBOVESPA's risk management is supported by corporate risk and operational risk policies, which establish principles, guidelines and responsibilities in this process.

Compliance with these policies is assured by two approaches, top-down and bottom-up, enabling the identification, assessment, treatment, monitoring and communication of operational, market, liquidity, image and socio-environmental risks.

The top-down approach consists of identification of the main risks affecting the company by means of historical events, interviews with senior executives and benchmarking with other exchanges and/ or market infrastructures. The results of corporate risk monitoring and the findings with regard to risk evolution are documented in the Corporate Risk Report by the Internal Control, Compliance & Corporate Risk Department and reported to the Board of Directors, Audit Committee, Risk Committee, and Corporate Risk Advisory Committee.

The Corporate Risk Advisory Committee, comprising over half of the company's senior executives, continuously assesses, discusses and monitors the operational, strategic, financial, regulatory, image and socio-environmental risks that make up BM&FBOVESPA's corporate risk profile. The Press & Sustainability Department is also represented on this committee, addressing socio-environmental aspects and risks. In 2014 the committee met 12 times on a regular basis G4-45

The bottom-up approach, which entails the creation of a risk profile based on process analysis, identifies and responds to operational risks and classification metrics, as well as continuously supervising these risks by means of indicators.

Code of Conduct G4-56

The BM&FBOVESPA Code of Conduct establishes rules encompassing relationships with external and internal stakeholders to avoid conflicts of interest and combat corruption, and to treat privileged information and securities trading.

The Code of Conduct applies to BM&FBOVESPA and its subsidiaries and affiliates, as well as its business partners. It is signed by all employees and is available to all those interested on the company's IR website. Suspected infringements are reported in writing to the Code of Conduct Committee. Such reports are never anonymous. The committee appoints a rapporteur to take the necessary steps to investigate each report. The Audit Department monitors all such cases and submits its findings to the Code of Conduct Committee for analysis. The CEO periodically presents decisions, findings and recommendations to the Board of Directors.

In 2014 the Internal Control, Compliance & Corporate Risk Department applied a questionnaire to all senior executives, managers and specialists with the aim of identifying employees who have relationships of any kind with regulators and public bodies. This specific group took a face-to-face training course to extend their knowledge of key concepts, issues and practical cases relating to Brazil's Anticorruption Law (Law 12,846/2013). The number of employees participating totaled 190 (14% of employees). SO3 / G4-57 / G4-58

In 2015 BM&FBOVESPA will launch a corporate program to strengthen its compliance with the Anticorruption Law and the latest market practices, requiring the inclusion of this theme in compulsory training for all employees. Furthermore, the Code of Conduct is being reformulated to include the key provisions of the Anticorruption Law. As soon as this process is completed, all employees will be required to sign the new Code of Conduct.

In 2014 no cases of infringement or corruption at BM&FBOVESPA were reported to the Code of Conduct Committee, and there were no breaches of the company's principles that could be classified as corruption. No cases of employee punishment were recorded, and there were no significant fines, nonmonetary penalties or cases in which contracts with business partners were not renewed owing to violations relating to corruption. [SO4 / SO8]

Supplier Code of Conduct

The company also has a Supplier Code of Conduct, which deals with practices that must be part of the day-to-day routine of all those involved. Selection of suppliers is based on ethics and sustainability criteria and complies with the Internal Policy for the Acquisition of Goods & Services. The following principles are key:

Obeying all laws, rules and regulations that prescribe a minimum age for work, and not employing children aged under 14.

Admitting adolescents as apprentices only when previously registered with public and/or non-governmental organizations authorized by the competent government agencies.

Guaranteeing school attendance by adolescent apprentices aged over 14, and assuring respect for their labor and social security rights and specific stage of development.

Strictly obeying the laws applicable to combating working conditions analogous to slavery, forced labor and child labor, on pain of immediate unilateral termination of contract.

Abrasca Code

BM&FBOVESPA adheres to the Abrasca Code of Self-Regulation & Best Practice for Public Companies, declaring that it applies the principles and rules established by the Code except with regard to the standard which calls for a Disclosure Committee to be established, as this committee has not yet been formally instated.

Conflicts of interest [4.6]

BM&FBOVESPA's policy on conflicts of interest is aligned with the requirements of Law 6404/76. Alleged infringements are reported to the Governance & Nomination Committee for analysis. The committee proposes corrective action for approval by the Board of Directors.

The company's bylaws also determine that the management of BM&FBOVESPA, including members of the Board of Directors, must sign a declaration of adherence to the Insider Information & Trading Policy Manual.

In addition, the Conflict of Interest & Related Party Transactions Policy applies to all employees and executives of BM&FBOVESPA and its subsidiaries and affiliates.

The company has put in place formal mechanisms for shareholders to express their opinions to top management through the Investor Relations Department, as well as an Ombudsman that pursues consensus solutions for any conflicts among investors and participants in the markets managed by BM&FBOVESPA. [4.4]

Corporate responsibility

BM&FBOVESPA seeks to set an outstanding example in corporate responsibility. All employees, interns and contractors have formal work contracts. Every effort is made to ensure that individuals are respected in the workplace. No cases of discrimination on grounds of

ethnicity, color, gender, religion, ideology, nationality or social status were reported in 2014.

The company does not perform any activities that pose a threat to health or the environment. Furthermore, it requires responsible practices in selecting and contracting with suppliers, such as those relating to environmental impact, ethical conduct, health and safety, and non-involvement in proven cases of corruption, bribery, forced or slave labor and child labor.

BM&FBOVESPA applies the AA1000 corporate responsibility management standard, focusing on accounting, auditing and social/ethical reporting. It also has a Committee to Prevent and Combat Money Laundering and Concealment of Assets, Rights and Property, which is one of the Advisory Committees to the CEO.

Stakeholder relations [4.14 / 4.15 / 4.16 / 4.17]

BMF&BOVESPA identifies its priority stakeholders through its strategic areas and engages continuously with them through its relationship channels.

Shareholders, brokerage houses, listed companies, government, investors, analysts, suppliers and employees are BM&FBOVESPA's main stakeholder groups. The company maintains mechanisms not only to assure the proper functioning of its business but also to foster best practice in corporate governance among market participants and other stakeholders.

BM&FBOVESPA's stakeholder engagement initiatives also include educational campaigns, actions to encourage companies and individuals to participate in socio-environmental activities such as the Environmental & Social Investment Exchange (BVSA), and regular meetings of its Advisory Committees, set up to build closer ties with the markets via the participation of representatives of various industries.

Ombudsman

One of BM&FBOVESPA's channels for communication with stakeholders is the Ombudsman, which interacts with stakeholders both actively through contacts and visits, and passively through suggestions and complaints received via the internet and by telephone. The Ombudsman prioritizes direct investigation, submitting the information collected to the Executive Board and Board of Directors at the end of each quarter. At the beginning of each year, it publishes a consolidated report on BM&FBOVESPA's website: **www.bmfbovespa.com.br**, Home, Contact Us. G4-57 / G4-58

There are no records of complaints regarding data security or privacy breaches in the period, or of any significant fines for failure to comply with the laws and regulations governing the supply and use of products and services. PR8 / PR9

Linha Direta

In line with modern corporate governance practices, Linha Direta ("Direct Line"), the company's communication channel, enables employees, interns and other members of staff to report infringements of the Code of Conduct, or any of the company's internal policies and norms, safely and with guaranteed confidentiality. The channel is also available to the general public via the toll-free number 0800-202-2863. Whistleblowers can remain anonymous if they wish. G4-57 / G4-58

Organizational climate survey

The "Opinion of Value" organizational climate survey is conducted periodically to enable employees to express their opinions. The results are used as a basis for submitting employee-related decisions, conclusions and recommendations to the Board of Directors. 4.4 / G4-37

Customer Service

Indicators are monitored on a monthly basis by Customer Service (SAP) to evaluate the satisfaction of brokerage house customers and members of the public who contact BM&FBOVESPA. The findings are described in a monthly management report. They include satisfaction surveys covering the quality of telephone service and average response time. PR5

In 2014 the number of contacts recorded by SAP totaled 46,571. Response time averaged 1.16 days. The level of satisfaction with telephone service was 97.69%. More details are shown in the table below.

SAP Satisfaction Survey – Telephone Service

Excellent	Very Good	Good	Middling	Poor	Total
11,111	1,650	417	138	174	13,490
82.36%	12.23%	3.09%	1.02%	1.29%	100%

Stakeholder relationship channels

Shareholders
- IR portal
- Quarterly earnings reports
- Quarterly fact sheets
- Annual report

Listed companies
- Listing segments
  Novo Mercado
  Corporate Governance Levels 1 & 2
  Bovespa Mais
- Governance indexes
  Special Corporate Governance Index (IGC)
  Special Tag Along Index (ITAG)
  Special Corporate Governance Index – Novo Mercado (IGC-NM)
  Corporate Governance Trade Index (IGCT)
- Sustainability indexes
  Carbon Efficient Index (ICO2)
- Corporate Sustainability Index (ISE)
- Dia da Empresa (“Your Company Day”)
- Educational Institute
- Market Maker Program
- Corporate Governance seals
- BM&FBOVESPA website
- Environmental & Social Investment Exchange (BVSA) portal
- Em Boa Companhia (“In Good Company”) website

Government entities
- BM&FBOVESPA Market Supervision (BSM)

Investors in general
- Mobile applications
- Electronic Channel for Investors (CEI)
- Financial education courses and programs
- Linha Direta – complaints
- Educational Institute
- Ombudsman
- Customer Service (SAP)

Employees
- Code of Conduct
- Você em Alta – intranet
- Linha Direta – complaints
- Opinião de Valor – organizational climate survey
- Novo Valor – sustainability program
- Em Ação – voluntary service portal

Brokerage houses
- BM&FBOVESPA Service Center (CAB)
- Educational Institute
- Operational Qualification Program (PQO)
- BM&FBOVESPA website
- Environmental & Social Investment Exchange (BVSA) portal
- Vitrine das Corretoras – online broker search

Analysts
- IR portal
- Analyst kit

Suppliers
- Supplier Code of Conduct

Institutional representation [4.12 / 4.13]

BM&FBOVESPA is a member of or signatory to several institutions of an economic, environmental and/or social nature.

- Member, Social Responsibility & Sustainability Committee, FEBRABAN
- Member, Network of Brazilian Women Leaders for Sustainability, Ministry of the Environment
- Member, Steering Committee, National Register of Companies Committed to Ethics & Integrity (Cadastro Empresa Pró-Ética)
- Member, Business for Climate Platform (Empresas pelo Clima), FGV – seat on advisory board
- Member, GRI Focal Point Brazil Advisory Group
- Member, GRI Stakeholder Council
- Member, Steering Committee, Ethos Indicators, Third Generation
- Member, São Paulo Against Violence Institute – seat on board
- Associate, Grupo de Institutos, Fundações e Empresas (GIFE)
- Member, Honorary Council and Technical Advisory Council, Carbon Disclosure Project (CDP), Latin America
- Member, Sustainability Research Group, Brazilian Institute of Corporate Governance (IBGC)
- Signatory, Voluntary Commitment to the UN Sustainable Stock Exchanges (SSE) initiative
- Signatory, Brazilian Business Compact For Integrity & Against Corruption
- Signatory, UN Global Compact – member, Brazilian Global Compact Committee
- Signatory, Brazilian National Compact for the Eradication of Slave Labor
- Signatory, Principles for Responsible Investment (UN PRI) – member, PRI Engagement Group Brazil

Institutional participation 4.12 / 4.13

As part of its business strategy, BM&FBOVESPA participates in several domestic and international associations or organizations, where it is a project or committee member or invited to share its expertise.

- Ibero-American Federation of Exchanges (FIAB) – member, Executive Committee and Working Committee
- Futures Industry Association (FIA) – associate member
- Brazilian Institute of Corporate Governance (IBGC) – associate, sponsoring organization and member of several committees (Guidelines, Legal, Finance, Sustainability, Communication)
- International Organization of Securities Commissions (IOSCO): member, Self-Regulatory Organizations Consultative Committee (SROCC), Council of Securities Regulators of the Americas (COSRA) and IOSCO Working Group that coordinates Brazilian participation
- World Federation of Exchanges (WFE): member, Board, Working Committee and Communications and Regulation Task Forces

People Management

People Management

BM&FBOVESPA invests increasingly to maximize the potential of its human capital, assuring adequate working conditions, quality of life and well-being for its employees, always grounded in relations of trust, transparency and ethics.

The company valorizes, recognizes, educates and trains its staff as strategies for engagement and performance. It constantly enhances its initiatives in these directions by implementing new processes and guidelines that result in professional development of leaders and teams.

Organizational climate

As part of the evolution of its management model, in late 2013 BM&FBOVESPA conducted the second Opinion of Value organizational climate survey to diagnose the level of employee satisfaction and engagement, and find out about the expectations and aspirations of the workforce. With the data compiled, in early 2014 the corporate results were presented to the entire company at two meetings with the CEO. The results of each department were also demonstrated at separate meetings by area.

Action plans were later drawn up to assure continuous improvement of the workplace environment, strengthening management of the organizational climate. Four groups were formed to address priority issues for the entire company, as well as some 30 focus groups to produce specific action plans for business areas. Some 450 people were involved in preparing these plans. The process was conducted by outside consultants. Each completed plan was presented by the officer in charge of the department or unit to his or her own team, who were able to make comments and suggestions.

To guarantee discipline in the execution of these plans, between November 2014 and January 2015 the same outside consultants held meetings to verify and report progress made on the plan for each area to its leaders and officers. Another series of follow-up meetings will be held between March and April 2015 to verify completion of each area's plan and its impact on improving organizational climate in the area.

Talent management

Retaining and attracting qualified professionals is also one of the company's priorities. In 2014, BM&FBOVESPA continued the talent mapping and succession planning process involving all departments, units and offices with the aim of extending coverage of positions. This process is designed to assure the production of leaders and guarantee business continuity now and in future.

New Exchange Culture

The priority given to consolidation of the organizational culture is reflected in BM&FBOVESPA's strategic guidelines – revenue growth and diversification, operational excellence, customer focus, and institutional strengthening – in order to guarantee adequate and engaged human capital and leverage the company's technology infrastructure for management of its business activities through effective process monitoring.

In 2014 a training course on strategic planning was held in partnership with the Wharton School of the University of Pennsylvania (Philadelphia), maintaining the company's investment in top management and offering a unique learning opportunity to its leaders.

Another initiative was the prioritization of roles and responsibilities, resulting in restructuring of the sales area and the creation of a Department of Product Engineering, which focuses on customer service and product development or reevaluation. The company also undertook a brand positioning review, promoting a broad discussion of cultural aspects, leadership and the findings of a customer survey.

Other highlights were activities that contributed to the control of expenses, including process enhancement and monitoring, the production of supporting materials to encourage and guarantee more efficiency, and an initiative entitled "efficient meetings" involving productivity and effectiveness practices and guidance for managers, employees and interns.

Profile of BM&FBOVESPA's team LA1

At end-2014, the company had 1,357 employees (401 women and 956 men), and 85 interns (38 women and 47 men).

The entire workforce was located in the Southeast Region. All except for interns were employed full-time and had indefinite duration employment contracts.

The number of people with special needs (PSN) was 66 at end-2014, in compliance with the 5% quota requirement established by the applicable federal and state laws. Of this contingent, 33 were women and 33 were men.

In 2014 the company hired 203 people, of whom 135 were employees, 57 were interns, and 11 were PSN.

In 2014 the lowest salary paid to an intern corresponded to 186% of the state minimum wage; in the case of employees, the ratio was 207% for both men and women.

It is important to stress that no one employed by the company was paid the state minimum wage either in 2014 or in previous years. The lowest salary corresponded to 199% of the federal minimum wage for men and 223% for women in 2012, and to 177% for men and 205% for women in 2013. [EC5]

Every single employee of BM&FBOVESPA is covered by a collective bargaining agreement. [LA4]

Number of employees and interns

Position	2014	2013
Executive Officer	30	34
Managing Director	88	94
Manager	155	171
Staff	1,084	1,131
Intern	85	89

Ratio of men's to women's basic salary by employee category [LA14]

Category	2014	2013
Executive Officer	92.58%	85.44%
Managing Director	107.97%	102.49%
Manager	91.79%	92.26%
Staff	86.03%	84.18%

Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other diversity indicators [LA13]

Gender & ethnicity (absolute numbers)	2014	2013	2014	2013	2014	2013	2014	2013
	Men		Women		Black men		Black women	
Executive Officers	26	28	4	6	-	-	-	-
Managing Directors	71	76	17	18	1	1	-	-
Managers	113	125	42	46	2	2	1	1
Staff	746	753	338	378	30	24	8	8
Interns	47	49	38	40	3	2	1	1
Total	1,003	1,031	439	488	36	29	10	10

Age & PSN (absolute numbers)	2014	2013	2014	2013	2014	2013	2014	2013
	Aged 30 or less		Aged 31-50		Aged 51+		Special needs (PSN)	
Executive Officers	-	-	26	29	4	5	-	-
Managing Directors	2	4	75	77	11	13	-	-
Managers	18	22	128	140	9	9	-	-
Staff	431	462	603	617	50	52	66	73
Interns	85	89	-	-	-	-	-	-
Total	536	577	832	863	74	79	66	73

Employee turnover LA2

New hires by gender	2014	2013
Male	133	185
Female	70	100

New hires by age	2014	2013
Aged 30 or less	157	214
Aged 31-50	45	70
Aged 51+	1	1

Separations by gender	2014	2013
Male	188	188
Female	122	108

Separations by age	2014	2013
Aged 30 or less	158	152
Aged 31-50	129	123
Aged 51+	23	21

Turnover rate by gender (%)	2014	2013
Male	10.84	12.25
Female	6.48	6.83

Turnover rate by age (%)	2014	2013
Aged 30 or less	10.64	12.02
Aged 31-50	5.88	6.34
Aged 51+	0.81	0.72

Quality of life and benefits LA3

Health, leisure, culture and emotional balance are part of BM&FBOVESPA's strategy to stimulate the team's performance and productivity. The company offers far more than the legal benefits (prescription drug discounts, life insurance, emergency loans, food vouchers, meal vouchers, childcare vouchers), including options that raise awareness of the importance of wellbeing and encouraging everyone to participate in the Quality of Life Program.

Quality of Life Program

The program has three pillars, comprising interlocking activities in work-life balance (Mais Equilíbrio), wellness (Mais Saúde), and leisure and culture (Mais Lazer e Cultura). It completed four years in 2014, proving that action taken to enhance employees' well-being contributes significantly to improvements in the workplace climate. The program includes the Facilities Exchange (Bolsa Facilidades), which provides access to goods and services that contribute to employee wellbeing through partnerships in sports, culture, recreation and leisure.

Mais Equilíbrio – Work-Life Balance

+ Você – Personal counseling and support from a multidisciplinary team (psychologist, social worker, nutritionist, psychopedagogue, lawyer, physical therapist, personal trainer, among others) to help employees and their families deal with difficulties at home, stress, legal problems and parenting. Diets are offered for specific situations (e.g. pregnancy, breastfeeding, convalescence), as well as information on physical fitness. The service is free, confidential and available 24x7 by phone and email. It processed 7,917 cases in 2014.

Espaço Dorival Rodrigues Alves – A space for use by employees, interns and other professionals who work with the company to provide more equilibrium and health with comfort and convenience. The Dorival Rodrigues Alves Center covers all three pillars of the Quality of Life Program (work-life balance, wellness, and leisure and culture), offering nutritional guidance, psychological and medical counseling, massage and a mingling area – 11,029 attendees in 2014.

Mais Saúde – Wellness

Outpatient Clinics – Healthcare services including preventive action against diseases, promotion of lifestyle changes and quality of life, diagnosis and treatment, as well as counseling in special cases. The number of medical and nursing cases processed in 2014 totaled 11,589.

Fitness – To encourage its people to keep fit, the company has an agreement with some units of a chain of fitness centers, which grant discounts on monthly membership fees and waive enrollment fees for employees and interns – 566 people enrolled.

Walking & Running Group – Periodic personalized training for employees and interns, who must take a physical assessment before participating. The company subsidizes 50% of the fees charged by the outside sports counselors who run this program. Eleven people took part in 2014.

Flu Vaccine – An annual flu vaccination campaign is held to protect employees, interns and contractors. Other forms of prevention are reinforced in addition to vaccination. This program benefited 1,374 people in 2014.

Checkup Program – Officers, managing directors and senior specialists are encouraged to have a checkup annually if aged 50 or more, and every two years if aged 49 or less. The focus is on preventing sickness and promoting wellness. In 2014 the program had 45 participants.

Support for Breastfeeding – This program valorizes the role of women in society and the labor market, as well as contributing to infant development, through comfort and convenience in a space reserved for female staff to continue breastfeeding after they return from maternity leave. The space was used by ten employees in 2014.

Blood Donation Campaign – Conducted annually in partnership with the blood bank at Hospital Sírio Libanês. In 2014, 179 employees participated.

Mais Lazer e Cultura – Leisure & Culture

Exchange Kids – This initiative enables children aged 5-11 to find out more about their parents' workplace, with a full day of games, recreation and educational activities. The number of children who participated in 2014 was 159.

Secretaries Day – In 2014 a workshop was held to commemorate the date, with 25 secretaries participating. The focus was on relevant themes for day-to-day demands, including the corporate outlook and the challenges faced by today's secretarial professionals.

Diversity & Voluntary Service Week – Activities were organized by HR and Sustainability in 2014.

Tournaments – The First Poker Tournament, with 39 participants, the First Magic Tournament, with 25 participants, and the Third Chess Tournament, with 23 participants, were held in 2014. Awards were given to the contestants who finished in first, second and third place in all these events.

World Cup Office Pool on SPTV – The 2014 FIFA World Cup was the occasion for integration among company staff. The office pool was highlighted in a report aired by TV Globo's local news program, SPTV. The winner was awarded a television set.

Pension plan EC3

The company offers a defined-contribution pension plan for voluntary participation by all employees. The number of participants totals 1,146.

The plan for employees of BM&FBOVESPA enables participants and the sponsor to invest more – from 1% to 7% of the monthly salary, with a matching contribution from the company equivalent to 100%. Employees who leave the company before the specified retirement date can keep their plans according to the rules stipulated by the bylaws or cancel, in which case they can opt to transfer 100% of the accumulated employee contributions based on length of service or up to 90% of the accumulated sponsor contributions; alternatively they can withdraw 100% of the accumulated employee contributions and up to 50% of the accumulated sponsor contributions based on length of service.

It is important to note that the company has no obligations relating to payments in addition to its contributions as sponsor. Regular contributions are booked under personnel expense for the period during which they are due.

Health and safety LA3/LA8

The company's workplace and operations present a low level of risk to health and safety. All employees have access to a corporate health and dental care plan, which also covers spouses and children up to the age of 21, or 24 for university students. In cases of serious illness requiring care not covered by the plan, benefits may be granted on the basis of an individual analysis. LA8

Employees can also use two outpatient clinics located on the company's premises at Praça Antonio Prado and Rua XV de Novembro, and staffed by physicians and nursing technicians every day of the week. The focus is on occupational medicine but urgent care is also available. The company also has discount agreements with pharmacies.

To discuss matters relating to accident and occupational disease prevention, the company has a specialized occupational health and safety service (SESMT) comprising a physician and occupational safety technician, as well as an Internal Workplace Accident Prevention Committee (CIPA) with 18 members, which represent 100% of the total workforce. LA6

The CIPA's main functions are to map all workplace hazards, observe and report risks of accidents, and provide employees with guidance on accident prevention.

An Internal Workplace Accident Prevention Week (SIPAT) is organized annually in conjunction with SES-MT. In its third edition, SIPAT presented health-related activities designed to encourage more conscious and positive behavior, including workshops on balanced diet, physical assessment, mental balance, blood donation, and measurement of blood pressure, blood sugar and cholesterol. Employees also benefited from ergonomics inspection blitzes, workstation interventions with guidance on posture, and a "snooze booth" to restore energy. The number of participations during the five-day SIPAT in 2014 totaled 2,725. In the CIPA elections, 941 votes were cast, corresponding to 69% of the workforce. Five members and four alternates were elected. LA9

Compensation model

In line with its corporate objectives the company's compensation model aims to assure market-competitive pay levels, attract talent, and retain employees in the medium to long term.

Fixed compensation consists mainly of a salary adjusted annually by a collective bargaining agreement with the union that represents the employee's category. Pay awards may also be granted for merit, promotion or extra qualifications. Such awards are generally granted to recognize and reward performance and professional development on the basis of regular individual performance assessments.

Variable compensation consists of semiannual payouts in accordance with the company's profit sharing program (PLR), which establishes potential monthly salary multiples depending on the company's key performance indicators and the employee's seniority and individual performance assessment. All employees are eligible for variable compensation under the rules of the PLR program.

Long-term compensation basically consists of stock options granted under the company's Stock Option Plan to align the interests of executives with the company's objectives and foster retention of key personnel.

Performance management

Performance assessment is a process in which 100% of the workforce take part, in line with the personal development proposition established by the company. The aim is to assure results based on a commitment to merit, considering the planning and target dimension (what) and the behavior expected for each level and function (how). LA12

Each employee's individual performance assessment consists of three structured formal conversations with the employee's manager during the year, one in the first quarter dealing with targets (what) and competencies (how), and the others in mid-year and at year-end for assessment and recognition. The results in both dimensions determine the employee's eligibility for the individual portion of the PLR program agreed with the union.

Measurement starts with self-assessment, which enables employees to reflect on the challenges faced during the period and record their perceptions. The self-assessments are analyzed by managers and departmental meetings are then held to provide feedback.

After these meetings, employees access the performance management system to acknowledge receipt of feedback and finalize the process. They then prepare and obtain validation of an individual development plan.

In 2014 employees were again invited to respond to a satisfaction survey on the feedback received.

Inside the Exchange (Por Dentro da Bolsa)

The special induction program called Por Dentro da Bolsa (Inside the Exchange) trains employees and interns in the basic concepts that permeate the exchange market, with the aim of assuring the use of a single language throughout the organization and providing an integrated understanding of its products and services and how they are processed internally.

The program has six modules, with online content and face-to-face meetings. The first step is a self-assessment enabling individuals to identify gaps in their knowledge of the company.

The training modules to be used are identified on the basis of these self-assessments and a review of the requisite knowledge by the heads of the areas concerned. The year ended with 376 participants in the Por Dentro da Bolsa Program (employees and interns).

Education Incentive Program

This program facilitates access to higher education (undergraduate and graduate courses) and language courses for professionals with growth potential. The number of participations in 2014 was 101, of which 42 were in MBAs and other graduate courses, 8 in undergraduate courses, and 51 in language courses (English and Spanish).

Leaders Day

Leaders Day is a program comprising two tracks – structured training activities and optional individual development activities. The program is for executive officers, managing directors and senior specialists, and managers and specialists.

It begins with a detailed external assessment of each leader's competencies using several behavioral tests and exercises. The findings are important to enable leaders themselves to identify strengths and development needs, but they are also useful to the organization since they supply a basis for other program activities. The results of the assessment are the basis for leaders to take the parallel training and development tracks. In 2014, 18 leaders participated in this process.

In the development track, leaders can optionally be assisted by external coaching with the implementation of an individual development plan based on the competencies assessment report.

All participants take the training track, which consists of face-to-face modules specially designed for the company by Fundação Dom Cabral, a renowned institution that specializes in executive development.

The first module of this track is the People Management Cycle developed on the basis of leader competencies, the company's people management model, and the general findings of the assessment process. The goal is to clarify the leader's role and enable the participants to swap experiences and do practical exercises involving typical everyday real-life situations. In 2014, the number of leaders trained in the various face-to-face modules of the program was 67.

The program is currently being reviewed to identify new topics in people management that can be addressed by additional program modules to assure continuous development of leaders in 2015 and beyond.

Training [LA10]

In 2014 the company continued with its employee training and development initiatives, delivering 250 activities in a range of training modalities with 3,768 participations and 1,351 employees and interns trained, for an average of 15 hours per employee.

	Training modality	No. of employees trained	No. of participations	No. of training actions	Total training hours	Average training hours per employee
Leadership training	In company	1,351	87	5	696	2
Corporate training (all employees)	In company		2,682	173	16,047	10
	Online		936	9	4,635	3
	External		63	63	2,298	1
Total			**3,768**	**250**	**23,676**	**16**

Human rights HR2

In 2014 the company continued to deliver on its commitment to analyze and accredit suppliers in accordance with its procurement policy, focusing above all on the mitigation of risks relating to corporate image, labor claims, child labor and slave labor. Contracts were signed with 332 supplier firms during the year. All of them complied fully with the human rights assessment criteria.

In addition, the company requires supplier clearance certificates, credit checks with Serasa Experian, and checks with the Office of the Comptroller General (www.cgu.gov.br) and the Transparency Portal (www.portaltransparencia.gov.br). The standard service agreement contains clauses prohibiting conditions analogous to slave labor.

New supplier management controls were implemented in 2014 to enhance internal controls. Supplier monitoring will be introduced next year, using outsourced contractors working on company premises and focusing on compliance with the labor laws.

Although supplier evaluation focuses mainly on tax, civil and labor law matters in the federal, state and municipal spheres, the policy calls for notification of the responsible manager if any violation of human rights is detected, and for appropriate steps to be taken. To verify these items, moreover, the company requires prospective suppliers to complete a questionnaire prior to a visit to their premises to make sure they have a procurement policy and an underage apprentice program in place.

As in previous years, in 2014 BM&FBOVESPA registered no cases of discrimination on grounds of ethnic origin, color, gender, religion, ideology, nationality or social origin, and received no reports of child labor and slave labor or violation of the rights of indigenous peoples. HR4/HR6/HR7

Sustainability

Corporate sustainability 4.12 / 4.13

The corporate sector and society must evolve together to attain genuinely sustainable development. In conducting its business activities with this goal in mind, BM&FBOVESPA is inspired by sustainability and private social investment.

BM&FBOVESPA was the first exchange in the world to sign up to the UN Global Compact, in 2004; in 2010 it became the first exchange in any emerging-market country to commit officially to the Principles for Responsible Investment (PRI), another UN initiative led by global institutional investors; and in the same year it was the first exchange in the world to become an organizational stakeholder in the Global Reporting Initiative (GRI), whose methodology it adopts in its annual reports. Since 2011 BM&FBOVESPA has distributed its annual report containing both financial and non-financial information in a single document at meetings of the Brazilian Association of Capital Market Analysts & Investment Professionals (APIMEC).

As a founding signatory of the UN's Sustainable Stock Exchanges (SSE) initiative, BM&FBOVESPA is strategically committed to the promotion of responsible long-term investment and non-financial reporting by listed companies. For more information, visit **www.sseinitiative.org**.

Contributing to the prioritization of sustainability by other exchanges worldwide, in 2014 BM&FBOVESPA joined the Sustainability Working Group (SWG) set up by the World Federation of Exchanges (WFE) to build consensus on the purpose, practicality and materiality of environmental, social, and governance (ESG) data. The new working group will undertake original research, promote the debate on ESG issues and make recommendations to member exchanges. For more information, visit **www.world-exchanges.org**.

Along similar lines, the company sits on the GRI Stakeholder Council and GRI Focal Point Brazil's Advisory Group, which it chaired in 2013 and 2014. It also sits on the Advisory Boards of the Carbon Disclosure Project Latin America (CDP) and the Business for Climate Platform (Empresas pelo Clima) promoted by the Sustainability Research Center (GVces) at the Fundação Getúlio Vargas Business School (FGV-EAESP).

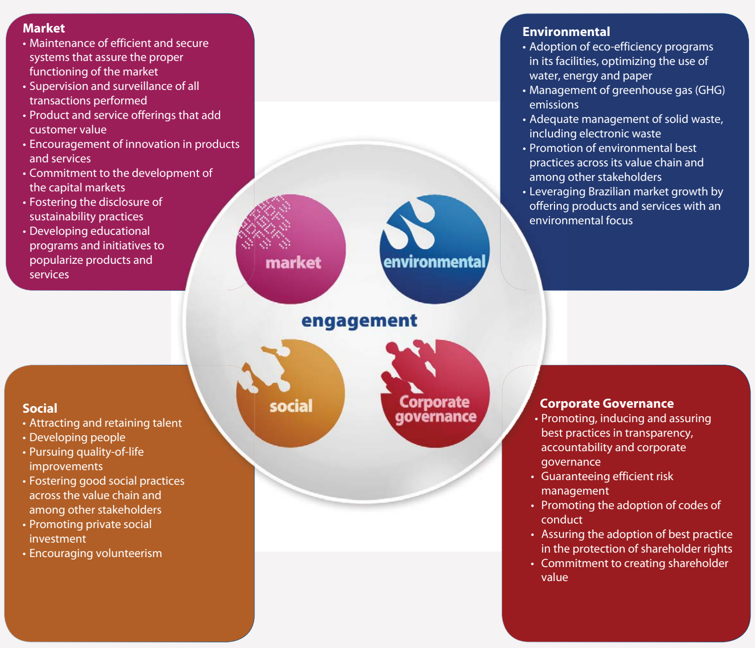
Finally, BM&FBOVESPA chairs ISE's board (CISE), the highest governance body for the Corporate Sustainability Index, comprising representatives of 11 institutions. More information can be found at **www.isebvmf.com.br**.

Management aligned with the interests of the company and society 4.16

As a compass for its own activities BM&FBOVESPA and its subsidiaries and affiliates in Brazil and abroad comply with the Sustainability Policy approved by the Board of Directors in 2013. The document reaffirms the company's commitment to sustainable development.

The company's organizational structure includes the Press & Sustainability Department, which reports directly to the CEO and is responsible for promoting this agenda. It is supported by two other multidisciplinary spheres of governance: the Sustainability Committee, chaired by the CEO and comprising senior executives as well as outside members; and the Sustainability Working Group, chaired by the Sustainability Officer and also comprising senior executives. The committee is responsible for strategic guidelines, and the working group proposes and manages the agenda on a day-to-day basis.

PILLARS OF THE SUSTAINABILITY POLICY



Approved by the Board of Directors in 2013, BM&FBOVESPA's Sustainability Policy is aligned with the company's strategic principles and applies to the internal management of all units in Brazil and abroad, as well as external stakeholders.

Its structure is divided into four pillars: Market, Environmental, Social, and Corporate Governance.

The complete text of the Sustainability Policy is available at www.bmfbovespa.com.br, BM&FBOVESPA, Sustainability.

Initiatives for sustainable development

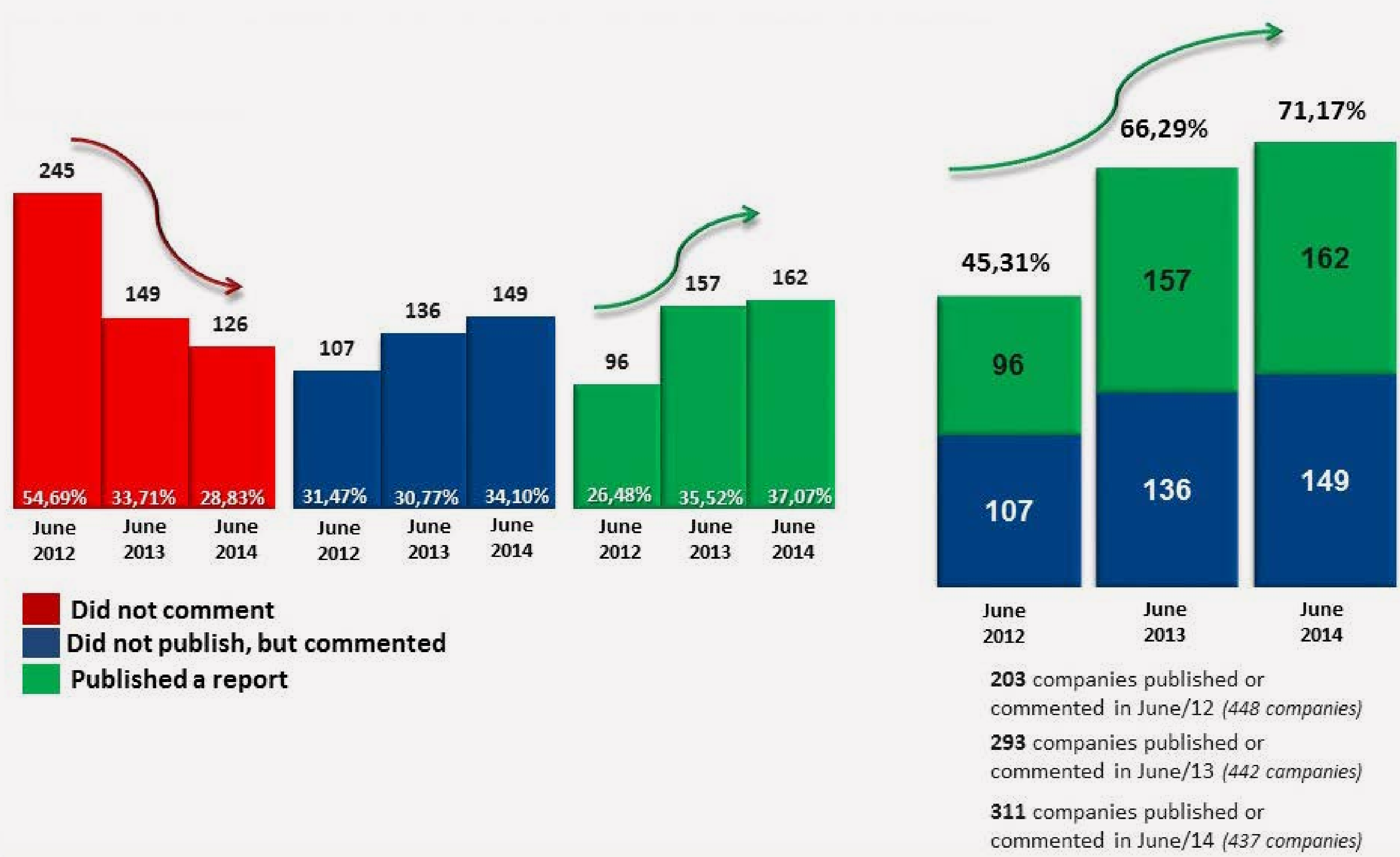
BM&FBOVESPA's website (www.bmfbovespa.com.br) offers information about indicators, initiatives and projects relating to sustainability and social investment. The company makes a point of promoting the sustainable development of the capital markets, involving investors, issuers and brokerage houses.

Examples of the company's initiatives according to the Pillars of its Sustainability Policy are summarized below.

Report or Explain for Sustainability or Integrated Reporting

BM&FBOVESPA launched Report or Explain in 2012 during Rio+20 to stimulate the disclosure of non-financial information by listed companies and encourage analysts and investors to take this content into account in their assessments and investment decisions. In 2014, in a process of evolution aligned with the global tendency for integration of financial and non-financial information in corporate annual reports, the name of the initiative was changed to Report or Explain for Sustainability or Integrated Reporting. In this way the company also expressed support for the International Integrated Reporting Council (IIRC), whose mission is to create a globally accepted model for integrated reporting.

CHANGE BETWEEN JUNE 2012 AND JUNE 2014



The third update to Report or Explain for Sustainability or Integrated Reporting showed that the topic remains on the agendas of listed companies, which continue with their efforts to publish non-financial information or explain why they do not: 18 new companies have joined the initiative, which now covers 71.17% of all companies listed on the Exchange, as can be seen from the chart. The database comprises the companies that had responded via the Reference Form by May 31, 2014.

In 2014 Report or Explain began disclosing the reasons given by listed companies for not publishing sustainability or integrated reports, as shown in the table below.

Category	No. of companies
Only actions reported	33
Not considered necessary / Not a priority	27
Considering the possibility	23
No justification	17
Report being prepared	17
Nature of operation / Company's situation	12
Organizing in preparation for publication	10
Misunderstanding of report	9
Included in parent company's report	1
Total	149

Sustainability and corporate governance indexes and index funds

BM&FBOVESPA maintains a number of indexes that track the performance of companies committed to sustainability, led by ISE, the Corporate Sustainability Index (**www.isebvmf.com.br**). To be part of this index, companies must first answer a questionnaire with seven dimensions: environmental, economic and financial, general, corporate governance, climate change, type of product, and social.

In 2014 all listed companies were given the opportunity to simulate participation in the ISE selection process, up to twice during the year. Immediately after completion they received their score and a comparison with the minimum, average and maximum scores of participants in the previous year. This rehearsal, which helped them prepare better to apply for inclusion in the ISE portfolio in future, was added to the two traditional categories of participation in the ISE: eligible, when a company applies for real to be included in the next portfolio; and mock participation, when a company practices without genuinely applying.

On November 26, BM&FBOVESPA announced the tenth ISE portfolio, to remain in force from January 5, 2015, until January 2, 2016.

The new portfolio comprises 51 stocks issued by 40 companies in 19 industries, one more than before, and with a total market cap of R$1.22 trillion, equivalent to 49.87% of the total market cap of all companies listed on BM&FBOVESPA on November 24, 2014 (compared with R$1.14 trillion, equivalent to 47.16%, on November 26, 2013).

The tenth ISE portfolio also reflects a significant increase in transparency by listed companies. The number of companies that authorized disclosure of their answers to the questionnaire rose from 22 to 34, corresponding to 85% of the new portfolio, up from 55% last year.

This year KPMG again provided assurance of the ISE process, issuing a letter with no reservations, which enhanced the credibility of the procedures still further. In addition, the ISE continues to partner with the agency Imagem Corporativa in monitoring daily news about the companies tracked by the index.

2014 ISE Portfolio by numbers

- 65% of the companies in the portfolio have a Sustainability Committee that reports to the Board of Directors (2013: 58%), and 63% have board members on the committee (2013: 58%).
- 98% have a department responsible for sustainability issues that reports directly to top management (2013: 95%).
- 83% have a corporate policy on climate change approved by the Board of Directors or top management.
- 65% have a variable remuneration system that links actual pay to risks taken and corporate results (2013: 53%).
- 63% systematically monitor sustainability indicators with the same frequency as financial information (2013: 50%).
- 84% say they publish a GHG inventory. 67% are committed to GHG reduction targets and 49% of these have achieved or even outperformed their targets. 33% have not set targets.
- 77% adopt the practice of incorporating environmental requirements into new products, services, processes or projects at the design stage.

AGÊNCIA LUZ

BM&FBOVESPA launches tenth ISE portfolio with symbolic bell-ringing ceremony to begin commemoration of the ISE's tenth anniversary.

BM&FBOVESPA's sustainability and corporate governance indexes, with the related products, are described below.

ISE	Corporate Sustainability Index: tracks the return on a portfolio of stocks issued by companies with a recognized commitment to sustainability. The ISE is one of Brazil's and the world's leading sustainable management benchmarks.
ICO2	Carbon Efficient Index: tracks the return on stocks issued by IBrX-50 companies that agree to participate in the ICO2 Index, undertaking to submit greenhouse gas inventory data for publication on the Em Boa Companhia ("In Good Company") website.

IGC-NM	Special Corporate Governance Index – Novo Mercado: measures the performance of companies with high corporate governance standards and listed on the Novo Mercado segment.
IGCX	Special Corporate Governance Stock Index: measures the performance of the companies listed on the Novo Mercado segment or Levels 1 or 2.
IGCT	Corporate Governance Trade Index: measures the performance of stocks issued by IGCX companies that meet specific liquidity criteria.
ITAG	Special Tag Along Stock Index: measures the performance of companies that offer minority shareholders better terms than those required by law in the event of a sale by majority shareholders.
IT NOW ISE	Referenced to the Corporate Sustainability Index (ISE): reflects the return on a portfolio comprising stocks issued by companies with a recognized commitment to social responsibility and sustainability.
IT NOW IGCT	Referenced to the Corporate Governance Trade Index: tracks the stocks of companies that voluntarily adopt high corporate governance standards (listed on the Level 1, Level 2 or Novo Mercado segments) and meet the criteria for inclusion established in its methodology.

Management and eco-efficiency

BM&FBOVESPA's main policy guidelines to minimize the environmental impacts associated with its activities are greenhouse gas emission management, appropriate disposal of electronic and other solid waste, and adoption of eco-efficiency programs on its own premises, such as reduction of water, energy and paper consumption.

Greenhouse gas emission inventory and offset

BM&FBOVESPA conducted its first inventory of greenhouse gas (GHG) emissions in 2010, using data for 2009. Since 2011 (basis year 2010) the GHG inventory has been verified by a third party and included in the Public Emissions Registry, an initiative of Brazil's GHG Protocol.

GHG emissions that cannot be reduced have been offset annually since 2013, retroactive to 2012 and 2011. Irreducible 2013 emissions were offset by purchasing 4,859 carbon credits (4,858.62 metric tons of CO_2 equivalent) created under the Kyoto Protocol Clean Development Mechanism (CDM). More information on these initiatives can be found in Chapter 8 of this Annual Report.

Selective waste collection and recycling

All workstations and corridors on every floor of BM&FBOVESPA's buildings have selective waste collection bins to enable comprehensive recycling. All materials including batteries are collected for recycling. Each year the money earned from the sale of recycled material is donated to social projects nominated by employees, interns and collaborators who work as volunteers in such organizations and chosen by the Voluntary Service Working Group (GT Em Ação). In 2014 the winning institution was Nosso Lar (São Carlos, São Paulo State).

Certified paper

To contribute to the conscious use of natural resources and the mitigation of environmental and social hazards, BM&FBOVESPA uses only paper certified by the Forest Stewardship Council (FSC) in publicity, stationery and printed material generally. FSC-certified paper is sourced from responsibly managed forests and processed in an environmentally correct manner.

Eco-efficient equipment

The company uses energy-efficient light bulbs, smart air conditioning and next-generation elevators to reduce electricity consumption and hence GHG emissions.

Green technology

The company uses only LCD computer monitors, which generate less heat and consume less energy.

Data center

The facility that houses the company's data center is certified to the US Green Building Council's sustainable building standard, LEED (Leadership in Energy and Environmental Design), and has sustainable equipment such as very high energy efficiency generators and chillers, as well as a sewage treatment plant.

Online account statements

Institutional investors no longer receive printed asset movement confirmations. Detailed account statements are now available online, significantly reducing paper consumption and mailing expense. Similar savings are scheduled for 2015.

Bicycle parking

The Exchange has a bicycle parking facility with lockers and changing rooms to motivate employees to make sustainability part of their day-to-day routine in this way.

Car pool and bicycle messengers

The Carona Solidária ("Solidarity Car Pool") Program encourages employees to share cars with co-workers via the Caronetas ride sharing website (**www.caronetas.com.br/bmfbovespa**). The company uses the services of bicycle messengers for errands involving short distances.

2014 sustainability calendar – external initiatives (EI) and internal initiatives (II) 4.16

January

(EI) Global Reporting Initiative (GRI) Workshops: listed companies were offered six workshops free of charge to facilitate annual sustainability reporting in accordance with the fourth generation of GRI's guidelines (G4).

February

(EI) BM&FBOVESPA's 2013 Annual Report: published online via the company's IR portal, containing financial and non-financial information. A summarized version was printed and distributed at a meeting of the Brazilian Association of Capital Market Analysts & Investment Professionals (APIMEC).

(EI) ISE – Workshop on Adapting to Climate Change: presentation of general concepts, how the ISE questionnaire deals with climate change, and information on new forms of participation in the index and the project to commemorate its tenth anniversary in 2015.

March

(EI) ISE – Online Public Consultation: held until April to validate the contents of the 2014-15 ISE questionnaire.

April

(EI) ISE Questionnaire Review Workshop: discussions with companies, specialists in the field and other stakeholders to legitimate the criteria and indicators used in the ISE methodology.

(EI) Sustainability Reporting Expert Workshop: BM&FBOVESPA participated in this event, held in Paris, France, to discuss the findings and recommendations of the UN Environment Program (UNEP) document Raising the bar – The essentials of the environmental dimension of reporting.

May

(EI) BM&FBOVESPA's 2013 GHG Inventory: publication and inclusion in the Public Emissions Registry.

(EI) ISE – Face-to-Face Public Hearing: presentation of the draft ISE questionnaire to discuss the changes.

June

(II) 4th Sustainability Week: internal mobilization activities to encourage employees, trainees and collaborators to think about sustainability, held on June 2-6, commemorating World Environment Week.

(EI) Workshop on Private Social Investment (PSI): the prospects for PSI in Brazil discussed by experts and representatives of private enterprise and civil society.

(EI) ISE – New Questionnaire: publication of the new questionnaire approved by the ISE Board for 2015 portfolio selection.

July

(EI) Report or Explain: database updated for the Report or Explain for Sustainability or Integrated Reporting initiative.

(EI) Symposium on Financing a Green Economy at UNEA: BM&FBOVESPA participated in this UN Environment Assembly event, held in Nairobi (Kenya), as a speaker during the panel session on Mobilizing Capital Markets, which discussed the use of capital markets instruments to finance a green economy.

October

(EI) Sustainable Stock Exchanges (SSE) – 4th Global Dialogue: BM&FBOVESPA participated in this biennial event on sustainability-related activities of SSE partner exchanges, held at the UN's office in Geneva (Switzerland).

(EI) 6th International CSR Conference at Humboldt University: BM&FBOVESPA participated in this event, held in Berlin (Germany), as a speaker during the panel session on Investors and Sustainability, where it presented the Report or Explain for Sustainability or Integrated Reporting initiative.

November

(II) GHG Emission Offset: purchase of 4,859 carbon credits (4,858.62 metric tons of CO2 equivalent) created under the Kyoto Protocol Clean Development Mechanism (CDM).

(EI) ISE 2015: announcement of the tenth ISE portfolio, to remain in force between January 5, 2015, and January 2, 2016, and the start of ISE's tenth anniversary commemorations.

December

(EI) Social Responsibility Day: each year BM&FBOVESPA donates part of the fees earned on a day's equity trading to the private social investment projects listed on BVSA, with 50% going equally to all projects and 50% to the projects chosen by brokerage houses via a voting hotsite.

BM&FBOVESPA Institute SO1

Established in 2007 to integrate and coordinate BM&FBOVESPA's social investment projects, the BM&FBOVESPA Institute is a public-interest civil society organization (OSCIP) whose remit is to promote education, culture, sports and social assistance. Its main projects are described below.

BVSA – Environmental & Social Investment Exchange

With a format similar to a stock exchange, the Environmental & Social Investment Exchange (BVSA) is an online crowdfunding platform linking Brazilian NGOs that require funding for socio-environmental projects with donors (social investors).

BVSA offers a portfolio of rigorously selected projects in a secure environment with total transparency and accountability. Projects are classified according to the Eight Millennium Development Goals established by the UN.

In 2014 a partnership was formed with BrazilFoundation to mobilize donors to support projects run by civil society organizations. This social joint venture combines BrazilFoundation's expertise in social project selection, capacity building and monitoring with BVSA's model, the first of its kind in the world to raise funds and guarantee accountability via a virtual platform. The shared vision behind this initiative is the need to build a culture of transformational philanthropy in Brazil.

The two institutions, which will keep their organizational and institutional identities, will act as co-investors and co-operators, annually benefiting at least 20 projects chosen by a joint selection committee in accordance with a blend of the UN's eight Millennium Development Goals and BrazilFoundation's areas and criteria of choice. Each of the 20 projects chosen for 2015 will receive an initial grant of some R$40,000 from BrazilFoundation and will be able to raise up to R$50,000 on BVSA. The projects will remain listed for up to a year.

EIGHT MILLENNIUM DEVELOPMENT GOALS

In 2014 a total of R$645,000 was donated to 16 listed projects. Since its creation in 2003, BVSA (www.bvsa.org.br) has helped raise more than R$13.9 million, benefiting 121 institutions throughout Brazil.

BM&FBOVESPA Job Training Association

PHOTOS: AGÊNCIA LUZ

The BM&FBOVESPA Job Training Association was set up to promote the vocational training of young people from low-income households and in socially vulnerable situations.

More than job training, the association helps socially excluded young people acquire the skills essential to entering and remaining in the world of work and become citizens capable of shaping their own life courses.

Each year the association trains an average of 300 adolescents and young adults aged 15-22 living in the city of São Paulo and the metropolitan area. Participants' household income must not exceed three times the minimum wage. Three programs are offered: Employability Training, Handyman, and Beauty Space. In 2014 there were 243 participants and 75% of them found work on completing the course.

BM&FBOVESPA Athletics Club

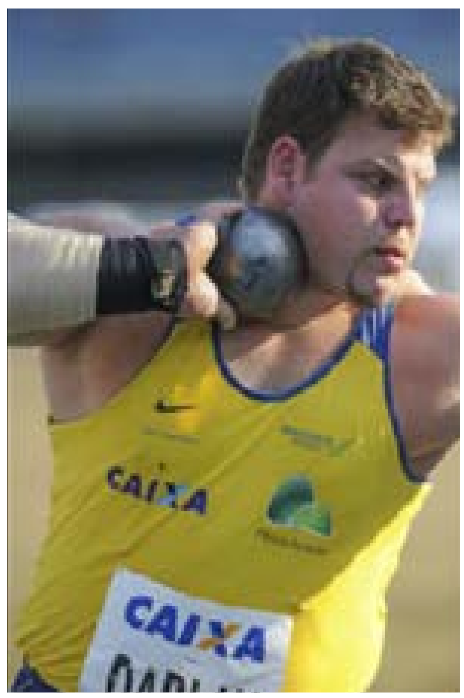
The BM&FBOVESPA Athletics Club fosters social inclusion, develops new talent, and is a home for 57 professional athletes whose main base is its Training Center in the city of São Caetano do Sul (São Paulo State).

The Training Center was designed with special attention to sustainability. Its architects adopted solutions to enhance the building's environmental performance, such as strengthening the gymnasium's foundations with demolition material from the old gym previously located on the site, energy efficiency, and reuse of stormwater runoff. The complex includes indoor and outdoor tracks and complete facilities for the athletes (weight room, physical therapy, nutrition, psychology, changing rooms, press room, administrative offices, and storerooms).

The Athletics Club won its 13th Brazil Trophy, with 37 medals – 18 gold, 12 silver, 7 bronze

Keila Costa, Núbia Soares and Tânia Silva: triple podium for the Club

Sprinter Ana Cláudia Lemos won four medals, three of them gold, at Brazil Trophy meet



Darlan Romani: new Brazilian shot put record (20.84 m)

Jucilene Sales de Lima: third-time Brazil Trophy javelin champion

PHOTOS: AGÊNCIA LUZ

In 2014 the BM&FBOVESPA Athletics Club won the Brazil Trophy for the 13th consecutive year. It won 37 medals: 18 gold, 12 silver and seven bronze. Two of its athletes were the best of the meet: Darlan Romani, who set a new Brazilian shot put record, and Jucilene Sales de Lima, who beat the South American javelin record.

Full details of the meet and of the BM&FBOVESPA's Athletics Club's other achievements are available at www.clubedeatletismo.org.br.

Base Category

The Athletic Club's Base Category trains youngsters aged 12-18 to become future high-performance athletes.

In 2014 the initiative was developed at three centers: Instituto Elisângela Maria Adriano in São Caetano do Sul; Instituto Vanderlei Cordeiro de Lima in Campinas; and Associação Rio-Pretense de Atletismo in São José do Rio Preto.

BM&FBOVESPA Sports & Cultural Center

Located in São Paulo City's Paraisópolis community, the BM&FBOVESPA Sports & Cultural Center fosters integral development for youngsters aged 6-15 through tutored activities in sports, art and culture. The number of participants averages 570 per year.

The center houses the Norberto Bobbio Library, which offers some 2,500 titles in children's and young adult literature, science, philosophy, general knowledge and history, among other subjects, to stimulate reading and critical thinking. In 2014 the number of book loans totaled 507.

Arts and crafts classes are also offered for women in the community to learn a trade and generate or supplement income.

Em Ação

The highlight of BM&FBOVESPA's Voluntary Service Program for employees and their families in 2014 was Empresa Em Ação (Company In Action), a partnership with Junior Achievement, a nonprofit youth organization. The initiative involved 19 volunteers from the Exchange, who helped 35 students of the Job Training Association learn about entrepreneurship and created a project called Mentoring In Action to engage with former students of the association.

People Management

People Management

BM&FBOVESPA invests increasingly to maximize the potential of its human capital, assuring adequate working conditions, quality of life and well-being for its employees, always grounded in relations of trust, transparency and ethics.

The company valorizes, recognizes, educates and trains its staff as strategies for engagement and performance. It constantly enhances its initiatives in these directions by implementing new processes and guidelines that result in professional development of leaders and teams.

Organizational climate

As part of the evolution of its management model, in late 2013 BM&FBOVESPA conducted the second Opinion of Value organizational climate survey to diagnose the level of employee satisfaction and engagement, and find out about the expectations and aspirations of the workforce. With the data compiled, in early 2014 the corporate results were presented to the entire company at two meetings with the CEO. The results of each department were also demonstrated at separate meetings by area.

Action plans were later drawn up to assure continuous improvement of the workplace environment, strengthening management of the organizational climate. Four groups were formed to address priority issues for the entire company, as well as some 30 focus groups to produce specific action plans for business areas. Some 450 people were involved in preparing these plans. The process was conducted by outside consultants. Each completed plan was presented by the officer in charge of the department or unit to his or her own team, who were able to make comments and suggestions.

To guarantee discipline in the execution of these plans, between November 2014 and January 2015 the same outside consultants held meetings to verify and report progress made on the plan for each area to its leaders and officers. Another series of follow-up meetings will be held between March and April 2015 to verify completion of each area's plan and its impact on improving organizational climate in the area.

Talent management

Retaining and attracting qualified professionals is also one of the company's priorities. In 2014, BM&FBOVESPA continued the talent mapping and succession planning process involving all departments, units and offices with the aim of extending coverage of positions. This process is designed to assure the production of leaders and guarantee business continuity now and in future.

New Exchange Culture

The priority given to consolidation of the organizational culture is reflected in BM&FBOVESPA's strategic guidelines – revenue growth and diversification, operational excellence, customer focus, and institutional strengthening – in order to guarantee adequate and engaged human capital and leverage the company's technology infrastructure for management of its business activities through effective process monitoring.

In 2014 a training course on strategic planning was held in partnership with the Wharton School of the University of Pennsylvania (Philadelphia), maintaining the company's investment in top management and offering a unique learning opportunity to its leaders.

Another initiative was the prioritization of roles and responsibilities, resulting in restructuring of the sales area and the creation of a Department of Product Engineering, which focuses on customer service and product development or reevaluation. The company also undertook a brand positioning review, promoting a broad discussion of cultural aspects, leadership and the findings of a customer survey.

Other highlights were activities that contributed to the control of expenses, including process enhancement and monitoring, the production of supporting materials to encourage and guarantee more efficiency, and an initiative entitled "efficient meetings" involving productivity and effectiveness practices and guidance for managers, employees and interns.

Profile of BM&FBOVESPA's team [LA1]

At end-2014, the company had 1,357 employees (401 women and 956 men), and 85 interns (38 women and 47 men).

The entire workforce was located in the Southeast Region. All except for interns were employed full-time and had indefinite duration employment contracts.

The number of people with special needs (PSN) was 66 at end-2014, in compliance with the 5% quota requirement established by the applicable federal and state laws. Of this contingent, 33 were women and 33 were men.

In 2014 the company hired 203 people, of whom 135 were employees, 57 were interns, and 11 were PSN.

In 2014 the lowest salary paid to an intern corresponded to 186% of the state minimum wage; in the case of employees, the ratio was 207% for both men and women.

It is important to stress that no one employed by the company was paid the state minimum wage either in 2014 or in previous years. The lowest salary corresponded to 199% of the federal minimum wage for men and 223% for women in 2012, and to 177% for men and 205% for women in 2013. [EC5]

Every single employee of BM&FBOVESPA is covered by a collective bargaining agreement. [LA4]

Number of employees and interns

Position	2014	2013
Executive Officer	30	34
Managing Director	88	94
Manager	155	171
Staff	1,084	1,131
Intern	85	89

Ratio of men's to women's basic salary by employee category [LA14]

Category	2014	2013
Executive Officer	92.58%	85.44%
Managing Director	107.97%	102.49%
Manager	91.79%	92.26%
Staff	86.03%	84.18%

Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other diversity indicators [LA13]

Gender & ethnicity (absolute numbers)	2014	2013	2014	2013	2014	2013	2014	2013
	Men		Women		Black men		Black women	
Executive Officers	26	28	4	6	-	-	-	-
Managing Directors	71	76	17	18	1	1	-	-
Managers	113	125	42	46	2	2	1	1
Staff	746	753	338	378	30	24	8	8
Interns	47	49	38	40	3	2	1	1
Total	1,003	1,031	439	488	36	29	10	10

Age & PSN (absolute numbers)	2014	2013	2014	2013	2014	2013	2014	2013
	Aged 30 or less		Aged 31-50		Aged 51+		Special needs (PSN)	
Executive Officers	-	-	26	29	4	5	-	-
Managing Directors	2	4	75	77	11	13	-	-
Managers	18	22	128	140	9	9	-	-
Staff	431	462	603	617	50	52	66	73
Interns	85	89	-	-	-	-	-	-
Total	536	577	832	863	74	79	66	73

Employee turnover LA2

New hires by gender	2014	2013
Male	133	185
Female	70	100

New hires by age	2014	2013
Aged 30 or less	157	214
Aged 31-50	45	70
Aged 51+	1	1

Separations by gender	2014	2013
Male	188	188
Female	122	108

Separations by age	2014	2013
Aged 30 or less	158	152
Aged 31-50	129	123
Aged 51+	23	21

Turnover rate by gender (%)	2014	2013
Male	10.84	12.25
Female	6.48	6.83

Turnover rate by age (%)	2014	2013
Aged 30 or less	10.64	12.02
Aged 31-50	5.88	6.34
Aged 51+	0.81	0.72

Quality of life and benefits LA3

Health, leisure, culture and emotional balance are part of BM&FBOVESPA's strategy to stimulate the team's performance and productivity. The company offers far more than the legal benefits (prescription drug discounts, life insurance, emergency loans, food vouchers, meal vouchers, childcare vouchers), including options that raise awareness of the importance of wellbeing and encouraging everyone to participate in the Quality of Life Program.

Quality of Life Program

The program has three pillars, comprising interlocking activities in work-life balance (Mais Equilíbrio), wellness (Mais Saúde), and leisure and culture (Mais Lazer e Cultura). It completed four years in 2014, proving that action taken to enhance employees' well-being contributes significantly to improvements in the workplace climate. The program includes the Facilities Exchange (Bolsa Facilidades), which provides access to goods and services that contribute to employee wellbeing through partnerships in sports, culture, recreation and leisure.

Mais Equilíbrio – Work-Life Balance

+ Você – Personal counseling and support from a multidisciplinary team (psychologist, social worker, nutritionist, psychopedagogue, lawyer, physical therapist, personal trainer, among others) to help employees and their families deal with difficulties at home, stress, legal problems and parenting. Diets are offered for specific situations (e.g. pregnancy, breastfeeding, convalescence), as well as information on physical fitness. The service is free, confidential and available 24x7 by phone and email. It processed 7,917 cases in 2014.

Espaço Dorival Rodrigues Alves – A space for use by employees, interns and other professionals who work with the company to provide more equilibrium and health with comfort and convenience. The Dorival Rodrigues Alves Center covers all three pillars of the Quality of Life Program (work-life balance, wellness, and leisure and culture), offering nutritional guidance, psychological and medical counseling, massage and a mingling area – 11,029 attendees in 2014.

Mais Saúde – Wellness

Outpatient Clinics – Healthcare services including preventive action against diseases, promotion of lifestyle changes and quality of life, diagnosis and treatment, as well as counseling in special cases. The number of medical and nursing cases processed in 2014 totaled 11,589.

Fitness – To encourage its people to keep fit, the company has an agreement with some units of a chain of fitness centers, which grant discounts on monthly membership fees and waive enrollment fees for employees and interns – 566 people enrolled.

Walking & Running Group – Periodic personalized training for employees and interns, who must take a physical assessment before participating. The company subsidizes 50% of the fees charged by the outside sports counselors who run this program. Eleven people took part in 2014.

Flu Vaccine – An annual flu vaccination campaign is held to protect employees, interns and contractors. Other forms of prevention are reinforced in addition to vaccination. This program benefited 1,374 people in 2014.

Checkup Program – Officers, managing directors and senior specialists are encouraged to have a checkup annually if aged 50 or more, and every two years if aged 49 or less. The focus is on preventing sickness and promoting wellness. In 2014 the program had 45 participants.

Support for Breastfeeding – This program valorizes the role of women in society and the labor market, as well as contributing to infant development, through comfort and convenience in a space reserved for female staff to continue breastfeeding after they return from maternity leave. The space was used by ten employees in 2014.

Blood Donation Campaign – Conducted annually in partnership with the blood bank at Hospital Sírio Libanês. In 2014, 179 employees participated.

Mais Lazer e Cultura – Leisure & Culture

Exchange Kids – This initiative enables children aged 5-11 to find out more about their parents' workplace, with a full day of games, recreation and educational activities. The number of children who participated in 2014 was 159.

Secretaries Day – In 2014 a workshop was held to commemorate the date, with 25 secretaries participating. The focus was on relevant themes for day-to-day demands, including the corporate outlook and the challenges faced by today's secretarial professionals.

Diversity & Voluntary Service Week – Activities were organized by HR and Sustainability in 2014.

Tournaments – The First Poker Tournament, with 39 participants, the First Magic Tournament, with 25 participants, and the Third Chess Tournament, with 23 participants, were held in 2014. Awards were given to the contestants who finished in first, second and third place in all these events.

World Cup Office Pool on SPTV – The 2014 FIFA World Cup was the occasion for integration among company staff. The office pool was highlighted in a report aired by TV Globo's local news program, SPTV. The winner was awarded a television set.

Pension plan EC3

The company offers a defined-contribution pension plan for voluntary participation by all employees. The number of participants totals 1,146.

The plan for employees of BM&FBOVESPA enables participants and the sponsor to invest more – from 1% to 7% of the monthly salary, with a matching contribution from the company equivalent to 100%. Employees who leave the company before the specified retirement date can keep their plans according to the rules stipulated by the bylaws or cancel, in which case they can opt to transfer 100% of the accumulated employee contributions based on length of service or up to 90% of the accumulated sponsor contributions; alternatively they can withdraw 100% of the accumulated employee contributions and up to 50% of the accumulated sponsor contributions based on length of service.

It is important to note that the company has no obligations relating to payments in addition to its contributions as sponsor. Regular contributions are booked under personnel expense for the period during which they are due.

Health and safety LA3/LA8

The company's workplace and operations present a low level of risk to health and safety. All employees have access to a corporate health and dental care plan, which also covers spouses and children up to the age of 21, or 24 for university students. In cases of serious illness requiring care not covered by the plan, benefits may be granted on the basis of an individual analysis. LA8

Employees can also use two outpatient clinics located on the company's premises at Praça Antonio Prado and Rua XV de Novembro, and staffed by physicians and nursing technicians every day of the week. The focus is on occupational medicine but urgent care is also available. The company also has discount agreements with pharmacies.

To discuss matters relating to accident and occupational disease prevention, the company has a specialized occupational health and safety service (SESMT) comprising a physician and occupational safety technician, as well as an Internal Workplace Accident Prevention Committee (CIPA) with 18 members, which represent 100% of the total workforce. LA6

The CIPA's main functions are to map all workplace hazards, observe and report risks of accidents, and provide employees with guidance on accident prevention.

An Internal Workplace Accident Prevention Week (SIPAT) is organized annually in conjunction with SES-MT. In its third edition, SIPAT presented health-related activities designed to encourage more conscious and positive behavior, including workshops on balanced diet, physical assessment, mental balance, blood donation, and measurement of blood pressure, blood sugar and cholesterol. Employees also benefited from ergonomics inspection blitzes, workstation interventions with guidance on posture, and a "snooze booth" to restore energy. The number of participations during the five-day SIPAT in 2014 totaled 2,725. In the CIPA elections, 941 votes were cast, corresponding to 69% of the workforce. Five members and four alternates were elected. LA9

Compensation model

In line with its corporate objectives the company's compensation model aims to assure market-competitive pay levels, attract talent, and retain employees in the medium to long term.

Fixed compensation consists mainly of a salary adjusted annually by a collective bargaining agreement with the union that represents the employee's category. Pay awards may also be granted for merit, promotion or extra qualifications. Such awards are generally granted to recognize and reward performance and professional development on the basis of regular individual performance assessments.

Variable compensation consists of semiannual payouts in accordance with the company's profit sharing program (PLR), which establishes potential monthly salary multiples depending on the company's key performance indicators and the employee's seniority and individual performance assessment. All employees are eligible for variable compensation under the rules of the PLR program.

Long-term compensation basically consists of stock options granted under the company's Stock Option Plan to align the interests of executives with the company's objectives and foster retention of key personnel.

Performance management

Performance assessment is a process in which 100% of the workforce take part, in line with the personal development proposition established by the company. The aim is to assure results based on a commitment to merit, considering the planning and target dimension (what) and the behavior expected for each level and function (how). LA12

Each employee's individual performance assessment consists of three structured formal conversations with the employee's manager during the year, one in the first quarter dealing with targets (what) and competencies (how), and the others in mid-year and at year-end for assessment and recognition. The results in both dimensions determine the employee's eligibility for the individual portion of the PLR program agreed with the union.

Measurement starts with self-assessment, which enables employees to reflect on the challenges faced during the period and record their perceptions. The self-assessments are analyzed by managers and departmental meetings are then held to provide feedback.

After these meetings, employees access the performance management system to acknowledge receipt of feedback and finalize the process. They then prepare and obtain validation of an individual development plan.

In 2014 employees were again invited to respond to a satisfaction survey on the feedback received.

Inside the Exchange (Por Dentro da Bolsa)

The special induction program called Por Dentro da Bolsa (Inside the Exchange) trains employees and interns in the basic concepts that permeate the exchange market, with the aim of assuring the use of a single language throughout the organization and providing an integrated understanding of its products and services and how they are processed internally.

The program has six modules, with online content and face-to-face meetings. The first step is a self-assessment enabling individuals to identify gaps in their knowledge of the company.

The training modules to be used are identified on the basis of these self-assessments and a review of the requisite knowledge by the heads of the areas concerned. The year ended with 376 participants in the Por Dentro da Bolsa Program (employees and interns).

Education Incentive Program

This program facilitates access to higher education (undergraduate and graduate courses) and language courses for professionals with growth potential. The number of participations in 2014 was 101, of which 42 were in MBAs and other graduate courses, 8 in undergraduate courses, and 51 in language courses (English and Spanish).

Leaders Day

Leaders Day is a program comprising two tracks – structured training activities and optional individual development activities. The program is for executive officers, managing directors and senior specialists, and managers and specialists.

It begins with a detailed external assessment of each leader's competencies using several behavioral tests and exercises. The findings are important to enable leaders themselves to identify strengths and development needs, but they are also useful to the organization since they supply a basis for other program activities. The results of the assessment are the basis for leaders to take the parallel training and development tracks. In 2014, 18 leaders participated in this process.

In the development track, leaders can optionally be assisted by external coaching with the implementation of an individual development plan based on the competencies assessment report.

All participants take the training track, which consists of face-to-face modules specially designed for the company by Fundação Dom Cabral, a renowned institution that specializes in executive development.

The first module of this track is the People Management Cycle developed on the basis of leader competencies, the company's people management model, and the general findings of the assessment process. The goal is to clarify the leader's role and enable the participants to swap experiences and do practical exercises involving typical everyday real-life situations. In 2014, the number of leaders trained in the various face-to-face modules of the program was 67.

The program is currently being reviewed to identify new topics in people management that can be addressed by additional program modules to assure continuous development of leaders in 2015 and beyond.

Training [LA10]

In 2014 the company continued with its employee training and development initiatives, delivering 250 activities in a range of training modalities with 3,768 participations and 1,351 employees and interns trained, for an average of 15 hours per employee.

	Training modality	No. of employees trained	No. of participations	No. of training actions	Total training hours	Average training hours per employee
Leadership training	In company	1,351	87	5	696	2
Corporate training (all employees)	In company		2,682	173	16,047	10
	Online		936	9	4,635	3
	External		63	63	2,298	1
Total			**3,768**	**250**	**23,676**	**16**

Human rights HR2

In 2014 the company continued to deliver on its commitment to analyze and accredit suppliers in accordance with its procurement policy, focusing above all on the mitigation of risks relating to corporate image, labor claims, child labor and slave labor. Contracts were signed with 332 supplier firms during the year. All of them complied fully with the human rights assessment criteria.

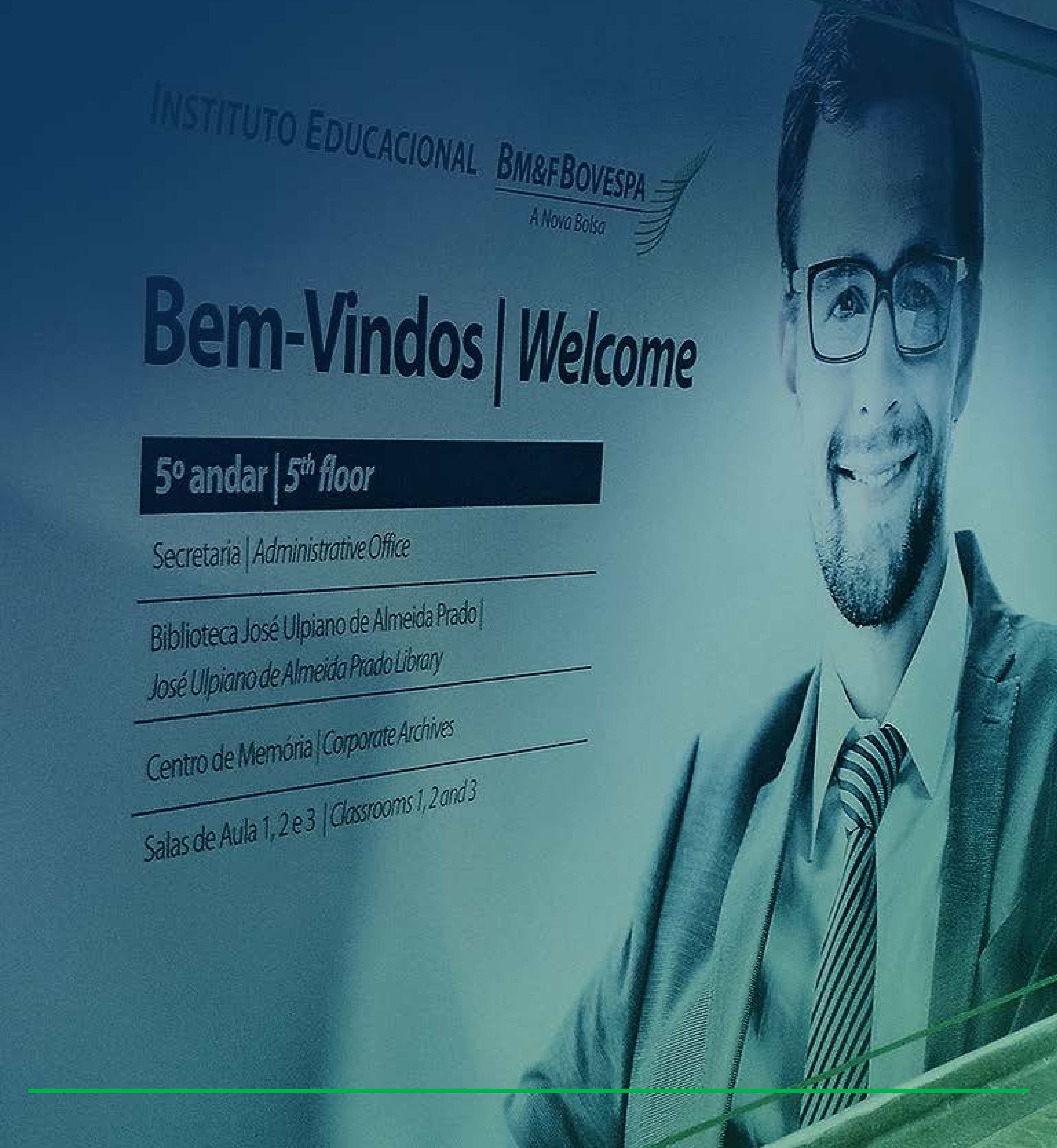
In addition, the company requires supplier clearance certificates, credit checks with Serasa Experian, and checks with the Office of the Comptroller General (**www.cgu.gov.br**) and the Transparency Portal (**www.portaltransparencia.gov.br**). The standard service agreement contains clauses prohibiting conditions analogous to slave labor.

New supplier management controls were implemented in 2014 to enhance internal controls. Supplier monitoring will be introduced next year, using outsourced contractors working on company premises and focusing on compliance with the labor laws.

Although supplier evaluation focuses mainly on tax, civil and labor law matters in the federal, state and municipal spheres, the policy calls for notification of the responsible manager if any violation of human rights is detected, and for appropriate steps to be taken. To verify these items, moreover, the company requires prospective suppliers to complete a questionnaire prior to a visit to their premises to make sure they have a procurement policy and an underage apprentice program in place.

As in previous years, in 2014 BM&FBOVESPA registered no cases of discrimination on grounds of ethnic origin, color, gender, religion, ideology, nationality or social origin, and received no reports of child labor and slave labor or violation of the rights of indigenous peoples. HR4/HR6/HR7

Education


Instituto Educacional
BM&FBOVESPA
A Nova Bolsa
Bem-Vindos | Welcome
5º andar | 5th floor
Secretaria | Administrative Office
Biblioteca José Ulpiano de Almeida Prado | José Ulpiano de Almeida Prado Library
Centro de Memória | Corporate Archives
Salas de Aula 1, 2 e 3 | Classrooms 1, 2 and 3

BM&FBOVESPA Educational Institute

Since 1987 the BM&FBOVESPA Educational Institute has been the leading center of capital markets education for the Brazilian economy, developing solutions for professionals, companies and investors.

More than 60,000 people have taken its basic and specialization courses for market professionals from brokerage houses, banks, investment funds and companies, as well as other forms of training. Its financial education programs, targeting a wide variety of groups from beginners in investment to executives, have benefited more than 4 million people.

The Educational Institute develops its content in different formats, including face-to-face, distance (online) and mixed delivery courses, training sessions, seminars, presentations, and 100% customized in-company training. It also holds examinations for professional certification, one of the requirements of BM&FBOVESPA's Operational Qualification Program (PQO).

In line with BM&FBOVESPA's growth strategy, the Educational Institute also offers an MBA in Capital Markets & Derivatives, and an MBA in Financial Risk Management, both in partnership with Facamp.

The Educational Institute's MBAs, which have reached their 15th edition, have prepared more than 500 professionals to work for the market's leading institutions. Courses are taught by the institute's own faculty as well as professors from Facamp with academic excellence and vast experience in the financial services industry.

In partnership with UBS Business School, the institute also offers an MBA in Financial Information & Capital Markets for Journalists.

With recognized experience, the Educational Institute has an infrastructure of classrooms and study labs. Its library has a large collection and computerized access to facilitate the work of researchers. It also has a Memory Center, responsible for documenting, conserving and disseminating BM&FBOVESPA's historical archives.

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Main financial education programs

BM&FBOVESPA promotes many financial education programs and projects through the Educational Institute, such as participation in the National Financial Education Strategy (Enef), which aims to strengthen citizenship by developing and supporting activities that help the general public make more autonomous and conscious decisions.

BM&FBOVESPA's Enef-related initiatives in 2014 included official delivery to the Education Ministry of primary school textbooks developed for the Financial Education In Schools Program. The Exchange also participated in the first National Financial Education Week, which involved a number of activities related to the topic.

Visits to the Exchange – Located on the ground floor of the building on Rua XV de Novembro, the Raymundo Magliano Filho Visitor Center welcomes 380 people a day on average. Visitors watch a 3D institutional video, presentations and a mock trading session in the stock market. The number of visitors totaled 81,330 in 2014.

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Free courses and lectures – In addition to face-to-face courses in Personal Finance and How to Invest in Stocks, the Exchange also offers web-based courses in Personal Finance and Investing in Stocks, launched in 2014 in partnership with online education platform Veduca.

In 2014, 19,220 people attended lectures, 15,250 took the course in Personal Finance and 3,970 took How to Invest in Stocks. As for the new online courses, 12, 128 took Personal Finance and Investing in Stocks.

Simulators – In partnership with other institutions the Exchange has created simulators to enable anyone interested to learn how to invest in stocks.

On registering the participant receives a virtual amount of cash and can simulate buy and sell trades. In addition to learning and simulating portfolio gains, participants compete for prizes. In 2014, the Folhainvest and UOL Invest simulators had 1,328.351 participants.

TOP Program – This is an initiative of the Education Advisory Committee to support project development by university professors and disseminate knowledge of the capital markets and its institutions. The 2014 edition, the program's first, had 40 participants.

BM&FBOVESPA Challenge – A competition that simulates the capital markets for students in public and private high schools throughout São Paulo State, this project has involved more than 15,000 people since its creation. In 2014 the number of schools enrolled totaled 371 and there were 1,571 participants all told.

AGÊNCIA LUZ

Dinheiro no Bolso – "Money In Your Pocket", a TV program in competition format for young people produced by Futura channel in partnership with BM&FBOVESPA, encourages the new generations to consume consciously and manage their assets responsibly.

Turma da Bolsa – "Exchange Kids", a financial education portal for children with videos also aired by the Futura TV channel, ended 2014 with 6,816 visits and 8,582 registered children.

Videos – BM&FBOVESPA offers a wealth of audiovisual material via YouTube (www.youtube.com/bmfbovespa) on financial education and the products traded in its markets. In particular, the television program "Educação Financeira" produced in partnership with TV Cultura presents short didactic episodes that are easy to understand and deal with a wide array of topics, from the origins of money and the banking system to everyday practical matters such as the best strategy for dealing with installment payments.

Papo de Bolsa – Papo de Bolsa ("Exchange Chat") is an online tool created to facilitate access by the general public to financial education and the culture of equity markets. During a chat session the user can send questions to an invited expert. The number of recorded participants in 2014 totaled 1,600.

Awards and competitions

BM&FBOVESPA continuously encourages activities that contribute to the development of the Brazilian market and public awareness of its importance. The following initiatives are worth highlighting in this context.

BM&FBOVESPA Journalism Awards – Created in 1988 to recognize the media's contribution to the development of the capital and derivatives markets in Brazil.

In 2014 submissions to the 26th edition of the BM&FBOVESPA Journalism Awards comprises 110 stories produced by 80 professionals and published by 28 vehicles in several states of Brazil.

Press Awards – An initiative of the Education Advisory Committee, these awards recognize the role of the press in disseminating information about the capital markets and explaining to the general public why they are important. The information published by the press helps people make better-informed investment decisions with regard to risks, opportunities and rights.

Stories published during the period specified in the rules compete for awards to journalists in three categories: Newspapers, Magazines, and Digital Media. The 2014 edition was the ninth.

CVM & BM&FBOVESPA Essay Competition – For young university students enrolled in undergraduate courses recognized by the Education Ministry (MEC), rewarding academic production and encouraging research on the capital markets.

Essay & Video Competition – A partnership with CVM and Rioprevidência's School of Financial Education. The theme of the 2014 edition, the competition's second, was "What can I do today to have a better financial future?"

Environmental Performance

Environmental Performance

In line with the Environmental pillar of its Sustainability Policy, BM&FBOVESPA is committed to implementing a number of practices to minimize the environmental impacts associated with its activities: adopting eco-efficiency programs on its premises, optimizing the use of water, energy and paper, adequately managing electronic and other solid waste, and minimizing greenhouse gas emissions. It is also committed to fostering the adoption of environmental best practices by stakeholders and to leveraging Brazilian market growth by offering products and services with an environmental focus.

In this context BM&FBOVESPA accompanies domestic and international laws and agreements that could trigger taxation and/or the creation of "cap and trade" emission trading schemes, including carbon and coal, linked to the goals of mandatory reduction and to offerings of products related to climate change. It is important to note that the main agricultural commodities traded on the Exchange (coffee, corn, soybeans, live cattle and ethanol) are susceptible to physical events that may influence their prices. For the company, regulatory risk and the uncertainty associated with climate change are indirect risks considered hard to estimate quantitatively. [EC2]

In 2014 there were no fines or non-monetary sanctions for non-compliance with environmental laws and regulations. [EN28]

Initiatives to mitigate environmental impact [EN18/ EN26]

Greenhouse gas (GHG) inventory

Since 2010 BM&FBOVESPA has conducted a GHG inventory with data referring to the previous year. Since 2011 the inventory has been verified by a third party and included in the Public Emissions Registry, an initiative of Brazil's GHG Protocol, where it can be read and downloaded (**http://registropublicodeemissoes.com.br**).

Production of the inventory referring to 2013, which covered all BM&FBOVESPA group companies, was supported by KPMG as well as various areas of the company.

According to the document, in 2013 BM&FBOVESPA's GHG emissions totaled 4,858.62 tCO2e, with direct sources controlled by the company accounting for only 6% (Scope 1). The remainder consisted of indirect emissions, 50% of which were Scope 2 and 44% Scope 3.

Scope 1 emissions fell significantly in 2013 compared with 2012. This decrease was due to a reduction in the amount of cooling gas consumed in 2013, since the recharging of air conditioning and other equipment is not constant and may vary from one year to the next depending on use and demand.

Scope 2 emissions (electricity and steam) rose 49% not because consumption increased but owing to a 47% rise in the national power grid emission factor in 2013.

Scope 3 emissions followed the same trend as in previous years, rising only moderately compared with 2012. The increase was due mainly to commuting by employees, interns and third parties, and student transportation by the BM&FBOVESPA Institute, accounting for 42% of emissions in this scope. EN29

Emissions due to air travel by company executives fell sharply (20%) thanks to a reduction in kilometers traveled and also in the number of trips or flight legs in 2013.

The 2014 GHG inventory has not yet been produced. The process is scheduled to begin in January 2015. Key environmental indicators for 2013, 2012 and 2011 are shown below.

Direct and indirect greenhouse gas emissions and electricity consumption

Scopes 1 and 2 (in metric tons of CO2 equivalent) EN16 / EN19 / EN20

	2013	**2012**	**2011**
Electricity	2,438.46	1,631.24	675.79
Fire extinguishers	1.75	1.92	1.53
Own fleet	12.34	11.30	12.33
Natural gas	5.91	6.12	6.09
Cooling gas	241.59	482.84	282.36
Generators	62.64	71.23	42.82
LPG	4.17	0.88	0.88
Total direct and indirect emissions (tCO2e)	**2,766.86**	**2,205.53**	**1,021.80**

Notes

- Emissions from energy use rose 49.2% because the national power grid emission factor increased owing to the use of thermal power plants in 2013.
- Cooling gas consumption in 2013, amounting to 241.59 tCO2e, consisted entirely of R-22 refrigerant, which is classed as a GHG but not included in the Kyoto Protocol because it was already covered by the Montreal Protocol as an ozone-depleting CFC.
- Reporting of GHG emissions from operations outside Brazil is optional and disaggregated in the Brazil GHG Protocol Program's Public Emissions Registry. As a result, BM&FBOVESPA's Scope 2 emissions consider emissions occurring in other countries where the company has facilities.
- BM&FBOVESPA does not emit any ozone-depleting NOx or Sox.

Indirect greenhouse gas emissions – Scope 3 (in metric tons of CO_2 equivalent) EN17

	2013	2012	2011
Employee commuting	893.79	646.04	509.71
Third-party logistics	2.64	3.2	3
Taxis	58.13	59.5	72.81
Air travel	1,119.05	1,388.82	1,358.78
Total indirect emissions (tCO2e)	**2,073.61**	**2,097.56**	**1,944.3**

Greenhouse gas (GHG) offsets

BM&FBOVESPA reiterates its commitment to voluntary reduction of GHG emissions. In 2014, as in previous years, the company did not establish a reduction target but undertook a number of initiatives to reduce or optimize emissions.

HG emissions that cannot be reduced are offset annually. This initiative was first adopted in 2013, retroactive to 2012 and 2011. It is also geared to fostering best practice in sustainability among listed companies, in accordance with the company's commitment to identifying, managing and seeking to reduce its environmental impact, as well as contributing to global climate stabilization efforts.

In 2014 BM&FBOVESPA offset irreducible 2013 GHG emissions by purchasing 4,859 carbon credits (or 4,859 metric tons of CO_2 equivalent) created under the Kyoto Protocol Clean Development Mechanism (CDM) and known as Certified Emission Reductions (CERs).

The credits purchased by BM&FBOVESPA were generated by the following small-scale renewable energy projects registered with the UN: Celtins & Cemat Grid Connection of Isolated Systems; Garganta da Jararaca Small Hydroelectric Power Plant; and Termoelétrica Santa Adélia Cogeneration Project.

Reduction in paper consumption

The project to outsource printing developed since 2012 yielded significant results in terms of a reduction in the company's paper consumption.

At end-2014 there were only 73 printers, compared with 207 before outsourcing. Annual paper consumption fell more than 50% from 390,919 to 173,220 sheets – 18,881 in color (10.90%) and 154,339 in gray scale (89.10%).

Most documents are printed on both sides of the page and in monochrome. Employees must touch a proximity reader with their ID badge to release print jobs, which are deleted from the queue after 60 minutes to avoid waste.

Another initiative to reduce paper consumption was the implementation of electronic billing for taxi rides. Printed payment slips were eliminated in August 2014.

Environmental performance indicators: energy, water and waste

Indirect energy consumption by primary energy source (in gigajoules) EN4

Energy source	2014	2013	2012
Electricity	83,749	83,618	81,478

Energy saving due to conservation and efficiency improvements (in gigajoules) EN5

Improvements	2014	2013	2012
Deactivation of extra bulbs on stairs in Praça Antonio Prado and Rua XV de Novembro buildings	175	210	210
Deactivation of an elevator in Praça Antonio Prado building during offpeak hours	17	21	21
Rules on weekend use of air conditioning	77	92	92
Replacement of halogen with LED bulbs – Raymundo Magliano Filho Visitor Center (Rua XV de Novembro)	45	53	27
Installation of photocells for staircase lighting – Rua XV de Novembro building and Rua João Brícola entrance (Praça Antonio Prado)	9	11	-
Deactivation of extra bulbs on façade of Praça Antonio Prado building and in colocation area	54	72	-
Replacement of fluorescent with LED bulbs – mezzanine, Rua XV de Novembro	15	-	-
Total	**392**	**459**	**350**

Total volume of water withdrawn by source EN8

	2014	2013	2012
Total water consumption (m^3/year)	34,552	37,758	39,479

Notes

- Sole source is water utility (Sabesp).
- Reduction in consumption due to implementation of restroom faucet water control in May 2014 with standardization and monthly regulation of water flow.

In response to the possibility of a water crisis, the company has been adopting measures to mitigate the risk of interruptions to the supply of potable water to its premises. Discussions of alternative sources of supply and measures to reduce consumption are being conducted by the Water Crisis Working Group, comprising representatives of Engineering, Technology, Human Resources, Communication, Operations, Business Continuity, and Corporate Risk, which coordinates the work. The group meets every day to review ongoing actions and discuss the status quo and outlook, as well as reviewing the readiness of participants in the markets managed by BM&FBOVESPA to respond to the scenarios presented.

Total weight of waste by type and disposal method EN22

Non-hazardous waste (in metric tons)

Type	2014		2013		2012	
	Disposal	Weight (t)	Disposal	Weight (t)	Disposal	Weight (t)
Restaurants, organic & non-recyclable (WCs)	Landfill	88.62	Landfill	102.9	Landfill	110.5
Recycling	Sold	48.71	Sold	60.2	Sold	81.0
Total		**137.33**	**163.1**		**191.5**	

Hazardous waste (in metric tons)

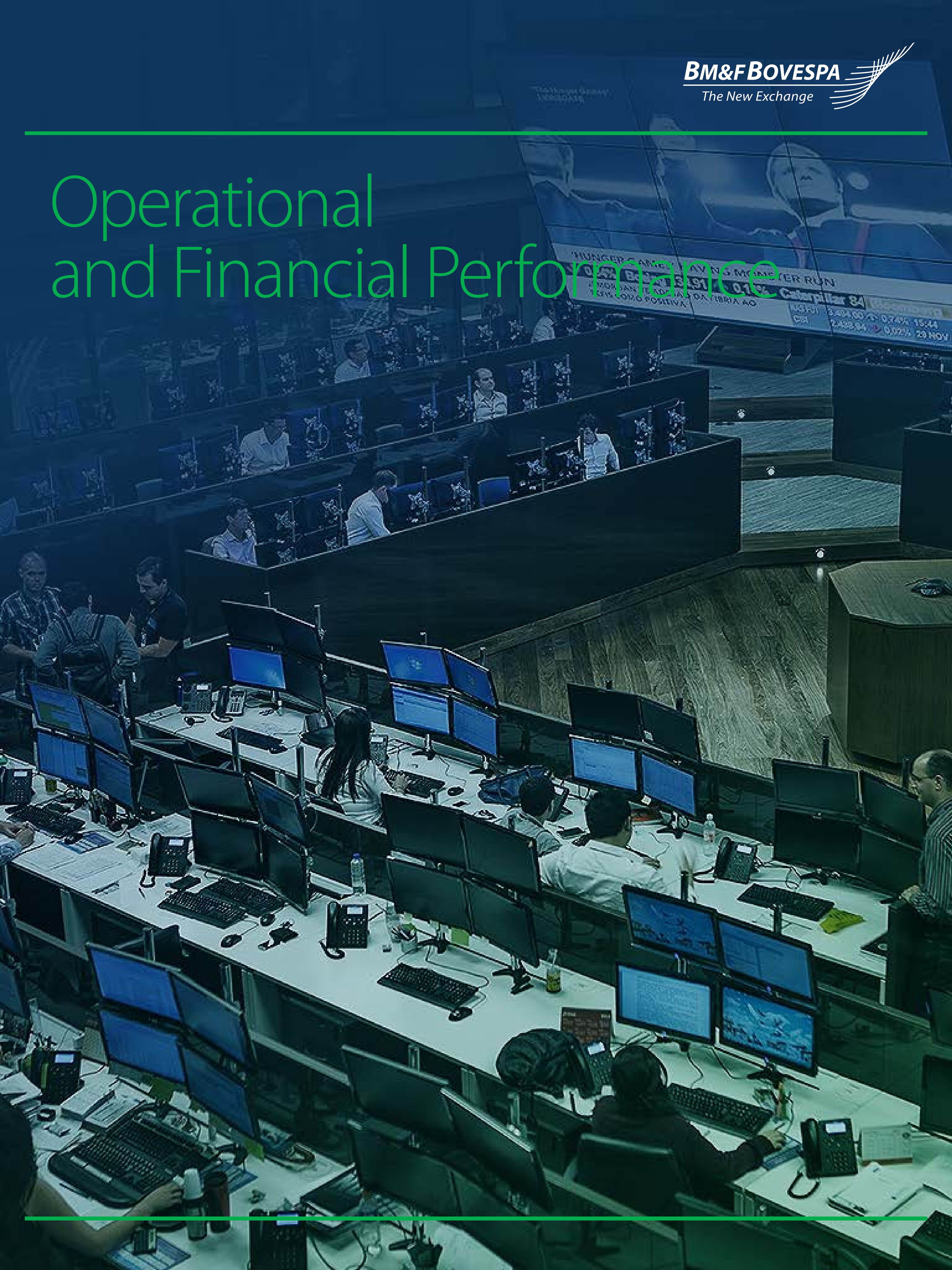
Type	2014		2013		2012	
	Disposal	Unit	Disposal	Units	Disposal	Units
Toners	Returned	54	Returned	187	Returned	219
Bulbs	Decontaminated	4,379	Decontaminated	4,155	Decontaminated	6,969
Total		**4,433**	**4,342**		**7,188**	

Type	2014		2013		2012	
	Disposal	Weight (t)	Disposal	Weight (t)	Disposal	Weight (t)
Batteries	Correct disposal	0.105	Correct disposal	0.0861	Correct disposal	0.0873
Outpatient clinic	Incinerated	0.061	Incinerated	0.0480	Incinerated	0.0333
Total		**0.166**	**0.1341**		**0.1206**	

Notes

- Copiers and printers are leased. Toner cartridges are returned to the leasing company, which is responsible for final disposal.
- Bulbs are counted by unit, not by weight.
- Batteries are left in electronic waste collection and recycling bins belonging to C&A stores, which send them to contractors who specialize in decontamination.
- Correct disposal: waste is sent to firms that specialize in decontamination of material before disposal.
- Healthcare waste from outpatient clinics is collected by the municipal government, which is also responsible for incineration.

Operational and Financial Performance



Operational and Financial Performance

BM&FBOVESPA's main operational highlight of the year was the completion of the first phase of the project designed to integrate our clearing houses, one of the most important and transformative projects in our history. On August 18, BM&FBOVESPA Clearinghouse started operating to provide post-trade services to the derivatives markets (BM&F segment).

The year 2014 was marked also by a heatedly contested presidential race which resulted in heightened volatility and increased trading volumes in the second half of the year, down to the voting day. However, this pre-electoral boost in trading activity was insufficient to make up for the thin volume of trading in the earlier part of the year, so that ultimately the overall volume traded fell short of the prior year volume both in markets comprising our BM&F segment and the markets comprising our Bovespa segment (equities and equity derivatives).

The BM&F segment saw a 9.3% fall in average daily contracts traded due mainly by a slump in volume traded in Brazilian-interest rate contracts, which are typically the top traded contracts in this segment. As for the Bovespa segment, the average daily value traded in the stock market and the equity derivatives markets dwindled by slight 1.7% year-on-year, to a large extent having trailed the fall in average market capitalization of listed firms, which is attributable to the country's deteriorating macroeconomic landscape.

While the volume of trading may have been insufficient to account for an actual volume increase, the market conditions prevailing in the pre-electoral period truly and successfully tested the real-world performance of our technology infrastructure. For example, the number of messages sent to the trading system in the BM&F segment in mid-August peaked at over ten times the average of that particular day, whereas the number of trades registered in the Bovespa segment on the day after the runoff election beat the previous record by 45%.

We continued over the year to execute our strategic plan and implemented a number of initiatives and projects designed to support our future growth and strengthen our competitive position.

From the standpoint of effective expense management, we have proceeded with our initiatives to keep the build-up in adjusted expenses well below the average inflation rate of the economy. Additionally, we successfully kept our commitment to deliver return for shareholders through an effective combination of dividend payouts and share buybacks whereas staying clear of any action susceptible to compromising the financial health of our Company.

Ultimately, though, BM&FBOVESPA stocks (ticker symbol: BVMF3) showed negative performance in 2014 with a 10.9% year-on drop in market price, whereas the Bovespa Index (Ibovespa) fell 2.9% year-on-year reflecting the market uncertainties about the lackluster economic outlook for 2015 and the years ahead.

We believe our investments in product development and technology infrastructure will prove to be pivotal for our future growth and key drivers of a diversified revenue base, giving us the ability to improve the quality of our services and consolidate the efficiency and strength of the domestic capital markets. It is our firm belief the implementation of our business strategy will continue to bear fruit in the years ahead.

Last, but not least, BM&FBOVESPA is uniquely well-positioned to capture the future growth opportunities Brazil's market will certainly continue to offer, though it must be said the atmosphere as 2014 came to a close had become far more challenging than previously anticipated due the country's deteriorating macroeconomic landscape.

Operating Performance

BM&F Segment

The average daily volume traded in financial and commodity derivatives markets hit 2.6 million contracts, a 9.3% fall as compared to the prior year, which was partially counterbalanced by a 5.3% year-on-year rise in average rate per contract (RPC).

As compared to the operating data for the comparative year of 2013, this year's performance is explained mainly by a 23.7% year-on-year decline in volume traded in Brazilian-interest rate contracts, which are typically the top traded contracts in the segment and this year accounted for 54.9% of the overall volume of contracts traded in the segment. While both shorter and longer maturity contracts registered a volume fall, the volume for shorter maturity contracts was steeper, which may be due to lower volatility and somewhat less uncertainty as to the direction of the Central Bank's decisions in the first half of the year, before the presidential race period. The positive highlight was a 40.9% year-on-year surge in the volume of trading in U.S. dollar-denominated interest rate contracts.

Average daily volume (ADV) (In thousands of contracts except as otherwise indicated)

	2010	2011	2012	2013	2014	CAGR (2010-14)	Var. 2014/2013
Interest Rates in BRL	1,683.6	1,797.2	1,925.7	1,856.7	1,417.4	-4.2%	-23.7%
FX Rates	540.6	495.5	493.9	494.1	493.9	-2.2%	0.0%
Stock Indices	89.4	123.3	143.1	113.6	118.6	7.3%	4.4%
Interest Rates in USD	89.7	145.2	149.8	155.9	219.6	25.1%	40.9%
Commodities	12.9	13.2	11.2	9.2	10.2	-5.7%	11.0%
Mini Contracts	75.6	114.4	165.7	208.2	310.6	42.4%	49.2%
OTC	12.9	11.7	9.2	10.1	12.4	-0.8%	23.4%
Total	**2,504.7**	**2,700.6**	**2,898.7**	**2,847.8**	**2,582.8**	**0.8%**	**-9.3%**

The 5.3% year-on-year rise in average RPC for financial and commodity derivatives contracts is explained primarily by the following factors:

- The average RPC for Brazilian-interest rate contracts rose 7.1% year-on-year due mainly to greater concentration of trading in longer maturity contracts (5th standard maturity date or longer) for which we charge comparatively higher fee rates;
- A 5.3% year-on rise in the fee rates for trades in forex contracts as well as a 5.1% climb in fees rates for trades in U.S. dollar-denominated interest rate contracts, in either case explained by the 8.6% year-over-year average depreciation of the Brazilian real against the U.S. dollar, since our rates for these contracts are denominated in U.S. dollars.

Average rate per contract (RPC) (In Brazilian reais)

	2010	2011	2012	2013	2014	Var. 2014/2013
Interest Rates in BRL	0.889	0.918	1.004	1.046	1.120	7.1%
FX Rates	1.928	1.894	2.205	2.535	2.669	5.3%
Stock Indices	1.564	1.614	1.524	1.761	1.774	0.7%
Interest Rates in USD	1.142	0.941	1.015	1.231	1.294	5.1%
Commodities	2.168	2.029	2.239	2.534	2.390	-5.7%
Mini Contracts	0.128	0.129	0.116	0.119	0.117	-1.9%
OTC	1.610	1.635	1.769	1.409	2.092	48.5%
Average	**1.134**	**1.106**	**1.191**	**1.282**	**1.350**	**5.3%**

The BM&F segment volume distribution by investor category shows trading activity by foreign investors picked up 15.9% to account for 34.5% of the overall yearly volume, for the first time outperforming every other investor category. In turn, both local institutional investors and financial institutions slackened the volume of trading by 32.1% and 22.6% respectively, to account for 28.6% and 29.6% of the overall yearly volume, respectively.

Distribution of average daily trading volume (ADTV) by investor category (buy and sell sides)

(In millions of contracts)

Bovespa Segment

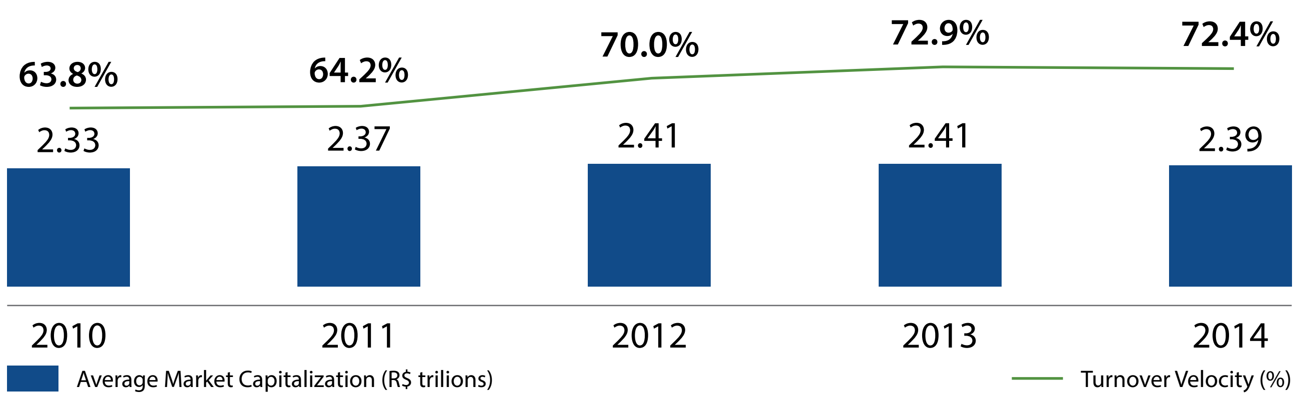
The average daily value traded in the stock market and equity derivatives markets (options and forwards) hit R$7.29 billion, a 1.7% drop from one year ago. In a five-year analysis of average daily trading value shot up at a 3.0% compound annual growth rate (CAGR).

Bovespa segment – Average Daily Trading Value (In R$ millions, except as otherwise indicated)

Markets	**2010**	**2011**	**2012**	**2013**	**2014**	**CAGR 2010-2014**	**Var. 2014/2013**
Cash	6,031.6	6,096.3	6,861.3	7,094.5	6,975.8	3.7%	-1.7%
Forward	147.4	118.0	103.4	91.5	82.4	-13.5%	-10.0%
Options	307.9	276.3	280.1	230.3	233.1	-6.7%	1.2%
Total	**6,488.6**	**6,491.6**	**7,250.7**	**7,417.7**	**7,292.5**	**3.0%**	**-1.7%**

The performance of the cash equity market presented a 1.7% year-on-year drop in average daily trading value, which for having accounted for 95.7% of the overall average substantially determined the segment performance. This outcome is due primarily to a combination of small drops in the average equity market capitalization, totaling 0.9% year-on-year, and slower turnover velocity (72.4% versus 72.9% in the earlier year).

Average equity market capitalization and turnover velocity



An analysis of the average equity market capitalization by sector shines a light on Financial stocks which, after adding 9.1% year-on-year to the sector's market capitalization, now lead the ranking and account for 32.5% of the average equity market capitalization. In turn, the market capitalization of important sectors (as Oil, Gas & Biofuels, Basic Materials, and Construction & Transportation) has plummeted over the year.

Average equity market capitalization by sector stocks (In R$ billions, except as otherwise indicated)

Industry Classification	**2013**	**Total Part. (%) 2013**	**2014**	**Total Part. (%) 2014**	**Var. 2014/2013**
Construction and Transportation	118.83	4.9%	98.58	4.1%	-17.0%
Consumer	645.78	26.8%	645.86	27.0%	0.0%
Financial	712.88	29.5%	777.64	32.5%	9.1%
Basic Materials	310.92	12.9%	264.17	11.0%	-15.0%
Oil. Gas and Biofuels	239.82	9.9%	215.78	9.0%	-10.0%
Telecommunications	100.74	4.2%	111.44	4.7%	10.6%
Utilities	216.49	9.0%	207.38	8.7%	-4.2%
Others*	67.90	2.8%	69.87	2.9%	2.9%
Total	**2,413.36**		**2,390.72**		**-0.9%**

*Includes Capital Goods and Services and Information Technology.

In all, the segment margin rates for trading fees declined 2.5% year-on-year, to 5.287 basis points from 5.423 basis points in the earlier year, largely due to changes in our fee policy implemented in 2013 whose effects carried over to influence revenues throughout 2014, coupled with heightened volume of intraday trading, as the fees we charge from day traders embed lower than average margin rates.

The year-on average daily number of trades climbed by 3.4% year-on-year, and increased at a five-year compound annual growth rate of 20.9%. This growth rate is attributable primarily to the greater sophistication of market participants and ever increasing high frequency trading activity, which despite being highly quantitative uses small orders, driving down the average ticket size per trade. We should add that our systems have throughput capacity far beyond the current volumes traded. For example, on October 27, 2014, the volume of trading peaked to an all-time record of 2.6 million trades, a number far higher than the average for the year.

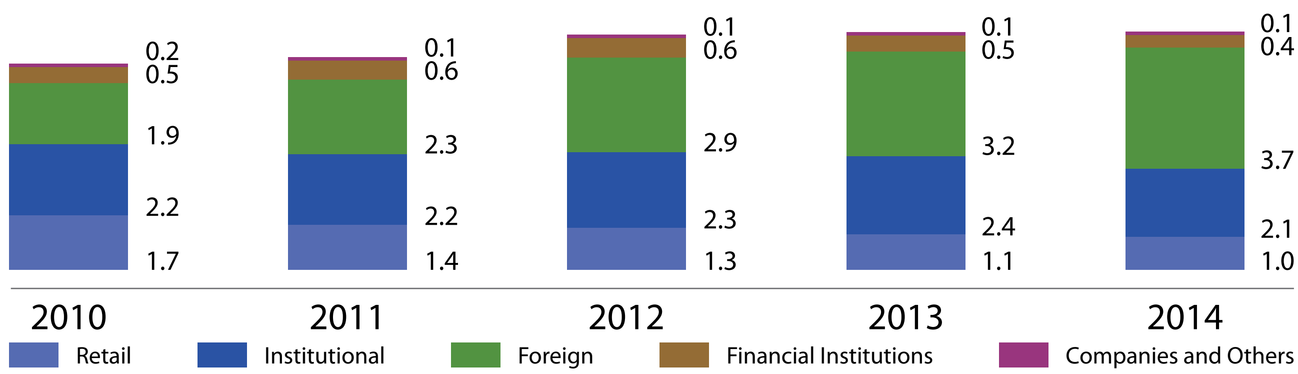
Bovespa segment – Average Daily Number of Trades (In R$ thousands, except as otherwise indicated)

Markets	**2010**	**2011**	**2012**	**2013**	**2014**	**CAGR 2010-2014**	**Var. 2014/2013**
Cash	349.8	476.5	653.0	780.0	821.8	23.8%	5.4%
Forward	1.6	1.1	1.0	0.8	0.6	-21.5%	-23.8%
Options	79.3	89.6	126.4	108.5	97.3	5.3%	-10.3%
Total	**430.6**	**567.2**	**780.4**	**889.3**	**919.8**	**20.9%**	**3.4%**

On a year-over-year comparison of overall value traded by investor group, foreign investors continue to top the ranking, having accounted for 51.2% of the overall value traded for the year (versus 43.7% in 2013). This translates into a 15.4% year-on build-up in active trading. The runners-up were local institutional investors, whose level of activity shrank 13.1% year-over-year despite having accounted for 29.0% of the overall value traded.

Trading activity by retail investors fell 11.4% year-over-year and accounted for 13.7% of the overall value traded (versus 15.2% one year ago), whereas the segment's average number of active retail investors went down 6.2% to 565.8 thousand.

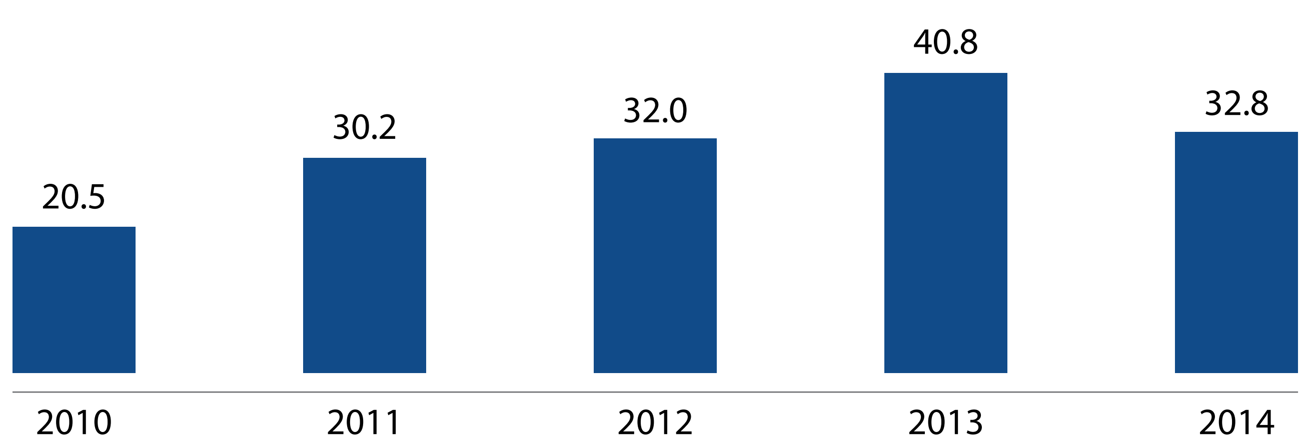
Distribution of average daily trading value by investor category (In R$ billions)



Securities lending

The average financial value of open interest positions registered by our securities lending facility dwindled 19.6% year-over-year. This notwithstanding, the average financial value still climbed at a 12.4% compound annual growth rate (CAGR) over the last five-year period. Securities lending is used by more sophisticated traders that develop and implement stock market strategies as securities borrowers (short-sellers) and by investors that look for additional income as lenders.

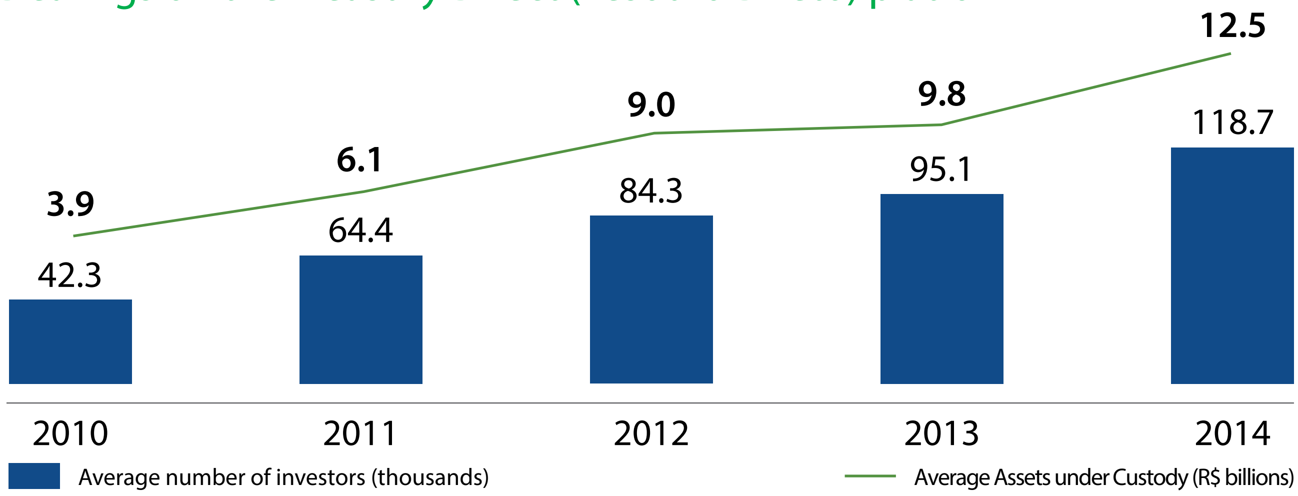
Average annual financial value of open interest positions (In R$ billions)



Treasury Direct (Tesouro Direto) platform

Tesouro Direto (Treasury Direct) is a platform developed in collaboration with the Brazilian Treasury, which we operate for the trading of government bonds and debt securities through the Internet. Trading on this platform has sustained the uptrend of the last few years. The average financial value of government bonds held in custody at our central securities depository (CSD) surged 27.8% year-over-year to hit R$12.5 billion as the year closed in 2014, while the average number of investors dealing through the Treasury Direct platform soared 24.9% to 118.7 thousand from 95.1 thousand one year ago. With the goal of diversifying revenues, we have adopted incentive programs designed to foster the growth of Treasury Direct dealings through our distribution channels.

Dealings on the Treasury Direct (Tesouro Direto) platform



Financial Performance

Revenues

Total revenues of R$2,246.5 million (before PIS/COFINS and Service taxes) for the year ended December 31, 2014, declined 5.0% from the prior year. Revenues tumbled both in our BM&F and the Bovespa business segments as well as with respect to other revenues unrelated to trading and clearing operations.

- Revenues from trading and clearing fees – BM&F segment. At R$866.6 million, this revenue line accounted for 38.6% of total revenues and a 5.5% year-on-year fall attributable primarily to a 9.3% tumble in volumes traded, partially counterbalanced, however, by a 5.3% year-on rise in average RPC.
- Revenues from trading and clearing fees – Bovespa segment. This revenue line gave back 4.6% year-on-year hitting R$977.4 million, and accounted for 43.5% of total revenues for the year. This drop is explained mainly by a 1.7% year-on drop in average daily trading value, coupled with lower margin rates, which declined 2.5% from the prior year.
- Other revenues. At R$402.5 million, the volume-unrelated revenues were down 5.2% year-on-year, having accounted for 17.9% of total revenues for the quarter. The main changes under this revenue line are discussed below.

– Securities lending. The revenue from the operation of our securities lending facility hit R$81.2 million and accounted for 3.6% of total revenues in a 20.5% year-on-year plunge due primarily to a 19.6% year-on decrease in average financial value of open interest positions (which totaled R$32.8 billion).

– Depositary/custody. At R$117.1 million, the revenue from services provided by our central securities depository accounted for 5.2% of total revenues and kept a flat line from the earlier year.

– Trading participant access. This line item amounted to R$39.3 million (1.8% of total revenues), a 17.5% year-on-year fall related mainly to changes made to our messaging control policy and the discontinuance of certain legacy services for to market participants.

Expenses

The expenses totaled R$804.1 million having risen mere 1.7% year-on-year, well below the inflation rate for the period. Set forth below is a discussion of the principal changes in operating expense line items.

- Personnel and related charges. This expense line totaled R$354.4 million, virtually unchanged from the earlier year due mainly to (i) diligent headcount management over the course of 2014; and (ii) a R$6.1 million year-on-year increase in capitalized personnel expenses related to ongoing technology projects.
- Data processing. Data processing. The expenses in this line item totaled R$124,2 million, up 12,5% year-on-year due mainly to an R$9.5 million non-recurring expenses with upgrading the PUMA Trading System.
- Outsourced services. The expenses in this line item totaled R$39.8 million, down 12.8% year-on-year primarily on account of R$8.0 million in extraordinary expenses related to success fees paid in the third quarter in connection with certain lawsuits.
- Marketing and promotion. This expense line hit R$11.3 million, a 23.8% year-on-year decrease reflecting the reprioritization of our marketing and communication campaigns for the year and cuts in advertising expenses.
- Other expenses. Other expenses totaled R$65.7 million, a 17.4% year-on-year rise related to an increase in contributions and donations, including a R$9.3 million passing of funds to BSM in the quarter to December 2014 intended the fund its operations, in addition to periodic transfers of proceeds from fines collected from participants for settlement or delivery failures (per BM&FBOVESPA's Official Letter 044/2013); and contributions to the Brazilian Government's program known as Ciência sem Fronteiras ("Science Without Borders") made in the third quarter.

Equity in results of investees

Our net share of gain from the equity-method investment in CME Group shares went 23.8% from one year ago totaling R$212.2 million, where R$81.0 million have been provisioned as recoverable tax paid abroad. This climb is explained not only by the improved results of operations recorded by the CME Group but also the effects of the local currency depreciation vis-à-vis the U.S. dollar.

Interest income, net

Net interest income for the year totaling R$208.2 million was up 15.2% year-on-year due primarily to a 21.0% jump in interest income, which climbed to R$361.8 million in 2014, in line with the rise of the key rate. In turn, the interest expenses went up by hit R$153.6 million, soaring 30.0% due mainly to the Brazilian real depreciation against the U.S. dollar, as most our interest expenses correlate with debt under global senior notes issued in a July 2010 cross-border offering, as well as to a non-recurring payment of tax charges related to the REFIS Tax Settlement Program.

Income tax and social contribution

Income before taxes totaled R$1,646.7 million, down 2.4% year-on-year.

The line item comprising income tax and social contribution plus deferred income tax and social contribution totaled R$661.0 million, where:

- R$104.2 million consist of current income tax and social contribution, comprised of R$54.7 million recorded as a cash outflow (thus, with negative impact on the cash flow), including R$51.1 million in back taxes recognized as part of a tax settlement we have agreed within the scope of the REFIS Tax Settlement Program, and also R$49.5 million which have been offset against withholding tax paid overseas.
- R$556.8 million consist of deferred income tax and social contribution and break down into deferred tax liabilities of R$554.6 million related to temporary differences attributable to yearly amortization of goodwill for tax purposes, with no impact on the cash flow, plus deferred tax assets amounting to R$2.2 million related mainly to tax losses and negative tax basis, in addition to tax credits related to other temporary provisions.

Discontinued Operations

In reviewing the Company's position as holder of equity in Bolsa Brasileira de Mercadorias (the Brazilian Commodities Exchange, or "BBM"), we have assessed the results gleaned in recent years from the residual business operations of that entity, and its prospects for the future, ultimately having decided to discontinue our BBM partnership and waive our rights as equity holders. This has engendered a R$7.8 million loss from discontinued operations, which includes recognition of a R$7.5 million loss from the waiver of membership certificates, equivalent to the book value of the investment as of November 30, 2014.

Net Income

The annual net income attributable to BM&FBOVESPA shareholders totaled R$977.1 million, down 9.7% year-on-year primarily on account of the fall in revenues discussed elsewhere herein and the recognition of certain non-recurring items, such as the REFIS tax settlement agreed with the tax authorities in August (net negative impact of R$63.1 million) and the negative impact of discontinued operations.

Main Line Items of The Consolidated Balance Sheet as of December 31, 2014

Main lines items under Assets

Total assets as of December 31, 2014, amounted to R$25,538.3 million, down 1.4% year-on-year. Cash and cash equivalents (including short- and long-term financial investments) totaled R$3,855.5 million, accounted for 15.1% of total assets and were down 20,8% year-on-year reflecting mainly a reduction in the amount of cash collateral posted by market participants to secure customers' dealings. Non-current assets totaled R$22,753.0 million, where long-term receivables amount to R$1,797.3 million (including long-term financial investments totaling R$1,392.8 million), the investments total R$3,761.3 million, property and equipment amount to R$421.2 million and intangible assets amount to R$16,773.2 million.

Intangible assets consist primarily of goodwill related to expectations of future profitability in connection with the acquisition of Bovespa Holding. Goodwill has been tested for impairment pursuant to a valuation report prepared by an independent specialist firm, which found no adjustments were required to the carrying value of goodwill as of December 31, 2014.

Main lines items under Liabilities and Shareholders' Equity

Current liabilities of R$1,891.8 million accounted for 7.4% of total liabilities and shareholders' equity, a 30.2% fall from total liabilities at the close of earlier year. This fall is explained primarily by the slump in cash collateral posted by market participants to secure customers' dealings (total of R$1,321.9 million at year-end versus R$2,073.0 million one year ago, in any event with contra-entries to cash equivalents and financial investments), given that cash collateral accounts for a large portion of current liabilities in our balance sheet. Noncurrent liabilities closed the year at R$4,658.0 million and consist primarily of R$1,619.1 million worth of debt issued abroad (global senior notes issued in a US$612 million bond offering in July 2010) plus deferred income tax and social contribution amounting to R$2,859.3 million.

Shareholders' equity totaled R$18,988.4 million as of December 31, 2014, consisting mainly of capital stock totaling R$2,540.2 million and capital reserves of R$15,220.4 million.

Other Financial Information

2014 Capital expenditures

We capitalized investments in 2014 on the order of R$240.2 million, including R$231.3 million related to investments in technology infrastructure and IT resources, particularly the new integrated clearinghouse and the construction of our new data center. The actual capital expenditures stayed well within the budget guidance for 2014, which set the capex interval between R$230.0 million and R$260 million.

2015 Adjusted Opex Budget – 2015/2016 Capex Budget

In December 2014 we announced the 2015–2016 capex budget and the 2015 adjusted opex budget, as follows:

- The 2015 budget guidance for adjusted operating expenses has been set within an interval between R$590 million and R$615 million, indicating a potential climb well below the inflation rate anticipated for the year ahead. As compared to one year ago, the actual adjusted operating expenses rose in 2014 by mere 2.9% (to R$592.3 from R$575,8 million in the earlier year) and did stay significantly below the inflation rate of the economy.
- The capex budget guidance for 2015 has been set within an interval between R$200.0 million and R$230.0 million, and for 2016 an interval between R$165.0 million and R$195.0 million;

Earnings distributions

Over the course of the 2014, our board of directors declared interim payouts totaling R$595.7 million by way of dividends and interest on shareholders' equity, meaning 80,0 of our GAAP earnings (net income) for the nine-month period ended September 30, 2014. Moreover, at the upcoming annual shareholders' meeting we will be submitting to shareholders an additional distribution proposal in the equivalent of R$185.9, which thus should total 80.0% of our GAAP net income for the year ended December 31, 2014.

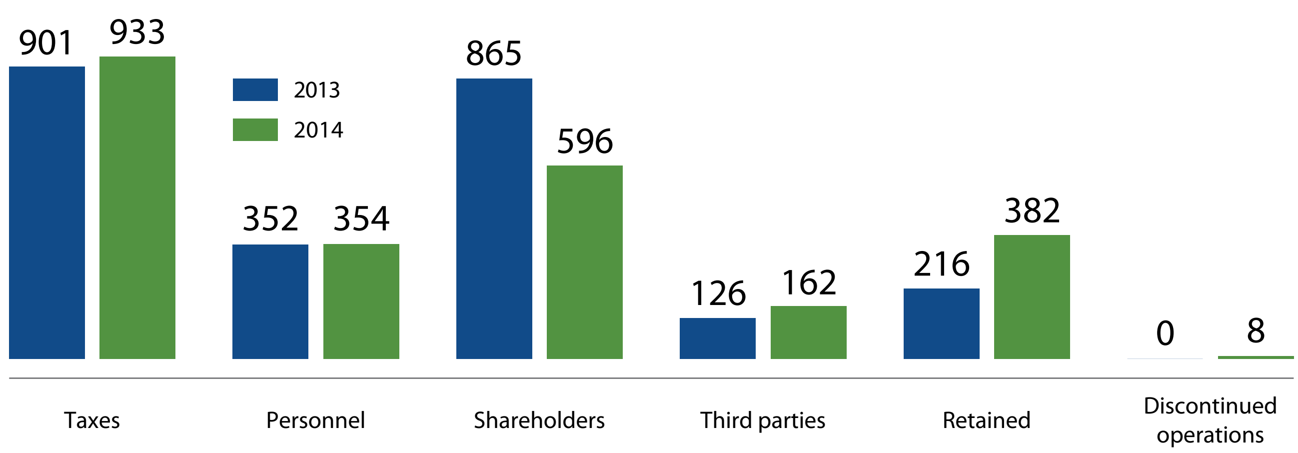
Share buyback program

We have repurchased over the course of 2014 a total of 90.0 million shares of BM&FBOVESPA (4.8% of the outstanding shares at the start of the year) for an average price per share of R$10.41 and aggregate price of R$936.6 million. Of this total, 37.0 million shares were repurchased within the scope of the 2013-2014 program (approved in June 2013), while the remainder (53.0 million shares) were repurchased within the scope of the 2014 program approved in February 2014.

In addition, in December 2014, our Board approved the 2015 buyback program authorizing repurchases up to 60.0 million shares, i.e., 3.3% of the shares issued and outstanding.

The value added by EC1

The value added by BM&FBOVESPA in 2014 totaled R$2.43 billion, down 1% in comparison with the previous year. The value added breakdown among its various stakeholders is shown in the chart below, being worth mentioning that: taxes totaled R$933 million, up 3.5%, including R$554.6 million in deferred taxes related to the goodwill amortization for tax purposes (non-cash); and most of the retained profit was directed to the share buyback program, reinforcing the Company's commitment to create value and return capital to its shareholders.



Financial Statements

Balance sheets

December 31, 2014 and 2013

(In thousands of reais)

		BM&FBOVESPA		Consolidated	
Assets	**Note**	**2014**	**2013**	**2014**	**2013**
Current assets		2,837,189	4,245,974	2,785,239	4,319,483
Cash and cash equivalents	4 (a)	497,146	1,191,676	500,535	1,196,589
Financial investments	4 (b)	2,019,099	2,784,750	1,962,229	2,853,393
Accounts receivable	5	56,597	52,696	57,571	54,227
Other receivables	6	71,799	80,889	72,319	79,272
Taxes recoverable and prepaid	19 (d)	166,144	120,380	166,154	120,396
Prepaid expenses		26,404	15,583	26,431	15,606
Noncurrent assets		22,430,445	21,275,216	22,753,024	21,577,176
Long-term receivables		1,383,178	749,413	1,797,322	1,135,424
Financial investments	4 (b)	981,234	437,367	1,392,763	820,778
Deferred income tax and social contribution	19	274,781	203,037	274,781	203,037
Judicial deposits	14 (g)	119,870	108,265	120,285	108,665
Other receivables	6	-	-	2,200	2,200
Prepaid expenses		7,293	744	7,293	744
Investments		3,855,549	3,434,624	3,761,300	3,346,277
Investments in associates	7 (a)	3,729,147	3,312,606	3,729,147	3,312,606
Investments in subsidiaries	7 (a)	126,402	122,018	-	-
Investment property	7 (b)	-	-	32,153	33,671
Property and equipment	8	418,502	418,854	421,186	423,150
Intangible assets	9	16,773,216	16,672,325	16,773,216	16,672,325
Goodwill		16,064,309	16,064,309	16,064,309	16,064,309
Software and projects		708,907	608,016	708,907	608,016
Total assets		25,267,634	25,521,190	25,538,263	25,896,659

Balance sheets

December 31, 2014 and 2013

(In thousands of reais) (Continued)

Liabilities and equity	Note	BM&FBOVESPA 2014	BM&FBOVESPA 2013	Consolidated 2014	Consolidated 2013
Current liabilities		**1,635,426**	2,355,261	**1,891,833**	2,710,846
Collateral for transactions	17	**1,321,935**	2,072,989	**1,321,935**	2,072,989
Earnings and rights on securities in custody	10	**46,289**	49,925	**46,289**	49,925
Suppliers		**66,146**	36,679	**66,241**	45,474
Salaries and social charges		**71,808**	73,954	**72,273**	74,911
Provision for taxes and contributions payable	11	**24,116**	24,755	**25,413**	25,979
Income tax and social contribution		**-**	-	**2,129**	1,433
Interest payable on debt issued abroad	12	**47,368**	42,129	**47,368**	42,129
Dividends and interest on equity payable		**1,687**	1,428	**1,687**	1,428
Other liabilities	13	**56,077**	53,402	**308,498**	396,578
Noncurrent liabilities		**4,652,699**	3,881,700	**4,658,027**	3,886,921
Debt issued abroad	12	**1,619,123**	1,426,193	**1,619,123**	1,426,193
Deferred income tax and social contribution	19	**2,859,306**	2,295,774	**2,859,306**	2,295,774
Provisions for tax, civil and labor contingencies	14	**97,661**	83,371	**102,989**	88,592
Obligation with post-retirement health care benefit	18 (c)	**28,371**	25,940	**28,371**	25,940
Other liabilities	13	**48,238**	50,422	**48,238**	50,422
Equity	15	**18,979,509**	19,284,229	**18,988,403**	19,298,892
Capital and reserves attributable to shareholders of BM&FBOVESPA					
Capital		**2,540,239**	2,540,239	**2,540,239**	2,540,239
Capital reserve		**15,220,354**	16,056,681	**15,220,354**	16,056,681
Revaluation reserves		**20,774**	21,360	**20,774**	21,360
Income reserves		**990,770**	794,773	**990,770**	794,773
Treasury shares		**(983,274)**	(955,026)	**(983,274)**	(955,026)
Other comprehensive income		**1,004,705**	680,499	**1,004,705**	680,499
Proposed additional dividend		**185,941**	145,703	**185,941**	145,703
		18,979,509	19,284,229	**18,979,509**	19,284,229
Non-controlling interests			-	**8,894**	14,663
Total liabilities and equity		**25,267,634**	25,521,190	**25,538,263**	25,896,659

Income statements

Years ended December 31, 2014 and 2013

(In thousands of reais, unless otherwise stated)

		BM&FBOVESPA		Consolidated	
	Note	2014	2013(*)	2014	2013(*)
Revenue	20	**1,995,160**	2,098,224	**2,030,433**	2,126,638
Expenses		**(786,004)**	(767,220)	**(804,070)**	(790,814)
Administrative and general					
Personnel and related charges		**(342,333)**	(341,772)	**(354,411)**	(352,017)
Data processing		**(122,230)**	(108,659)	**(124,202)**	(110,423)
Depreciation and amortization		**(117,479)**	(117,924)	**(119,133)**	(119,534)
Third-party services		**(38,319)**	(35,686)	**(39,776)**	(45,631)
Maintenance in general		**(11,096)**	(10,942)	**(11,927)**	(11,688)
Communications		**(13,224)**	(16,688)	**(13,364)**	(16,822)
Promotion and publicity		**(11,065)**	(14,647)	**(11,305)**	(14,833)
Taxes		**(54,733)**	(54,825)	**(55,590)**	(55,832)
Board and committee members' compensation		**(8,683)**	(8,078)	**(8,683)**	(8,078)
Sundry	21	**(66,842)**	(57,999)	**(65,679)**	(55,956)
Equity pickup in subsidiaries and associate	7	**226,926**	175,519	**212,160**	171,365
Financial result	22	**206,066**	179,357	**208,157**	180,695
Financial income		**358,459**	296,487	**361,761**	298,868
Financial expenses		**(152,393)**	(117,130)	**(153,604)**	(118,173)
Income before income tax and social contribution		**1,642,148**	1,685,880	**1,646,680**	1,687,884
Income tax and social contribution	19 (c)	**(657,403)**	(603,976)	**(660,959)**	(606,588)
Current		**(100,603)**	(57,485)	**(104,159)**	(60.097)
Deferred		**(556,800)**	(546,491)	**(556,800)**	(546.491)
Net income from continuing operations		**984,745**	1,081,904	**985,721**	1,081,296
Net result from discontinued operations		**(7,692)**	(388)	**(7,807)**	(349)
Net income for the year		**977,053**	1,081,516	**977,914**	1,080,947
Attributable to:					
Shareholders of BM&FBOVESPA – Continuing operations		**984,745**	1,081,904	**984,745**	1,081,904
Shareholders of BM&FBOVESPA – Discontinued operations		**(7,692)**	(388)	**(7,692)**	(388)
Non-controlling interests – Continuing operations				**976**	(406)
Non-controlling interests – Discontinued operations				**(115)**	(163)
Earnings per share attributable to shareholders of BM&FBOVESPA (in R$ per share)	15 (h)				
Basic earnings per share				**0.531763**	0.563638
Diluted earnings per share				**0.530710**	0.562158

(*) Balances for 2013 have been restated in accordance with CPC31 – Discontinued Operations (Note 24).

Statements of comprehensive income

Years ended December 31, 2014 and 2013

(In thousands of reais)

	BM&FBOVESPA		Consolidated	
	2014	2013(*)	2014	2013(*)
Net income for the year	**977,053**	1,081,516	**977,914**	1,080,947
Other comprehensive income to be reclassified to income for the year in subsequent periods	**323,739**	361,917	**323,739**	361,917
Exchange rate variation on investment in foreign associate	**451,195**	431,530	**451,195**	431,530
Hedge of net foreign investment	**(191,923)**	(183,049)	**(191,923)**	(183,049)
Tax effect on hedge of net foreign investment	**65,254**	62,237	**65,254**	62,237
Comprehensive income of foreign associate	**(785)**	51,234	**(785)**	51,234
Mark-to-market of available-for-sale financial assets	**(2)**	(35)	**(2)**	(35)
Other comprehensive income not reclassified to income for the year in subsequent periods	**467**	2,185	**467**	2,185
Actuarial gains on post-retirement health care benefits, net of taxes	**467**	2,185	**467**	2,185
Other comprehensive income for the year	**324,206**	364,102	**324,206**	364,102
Total comprehensive income for the year	**1,301,259**	1,445,618	**1,302,120**	1,445,049
Attributable to:	**1,301,259**	1,445,618	**1,302,120**	1,445,049
Shareholders of BM&FBOVESPA	**1,301,259**	1,445,618	**1,301,259**	1,445,618
Non-controlling interests	**-**	-	**861**	(569)

Statements of changes in equity

Years ended December 31, 2014 and 2013

(In thousands of reais)

		Attributable to shareholders of the parent company											
					Income reserves (Note 15(e))								
	Note	Capital	Capital reserve	Revaluation reserves (Note 15(c))	Legal reserve	Statutory reserves	Treasury shares (Note 15(b))	Other comprehensive income	Proposed additional dividend	Retained earnings	Total	Non-controlling interests	Total equity
Balances at December 31, 2012		2,540,239	16,037,369	21,946	3,453	574,431	(484,620)	316,397	388,703	-	19,397,918	15,964	19,413,882
Exchange rate variation on foreign investment		-	-	-	-	-	-	431,530	-	-	431,530	-	431,530
Hedge of investment, net of taxes		-	-	-	-	-	-	(120,812)	-	-	(120,812)	-	(120,812)
Comprehensive income of foreign associate		-	-	-	-	-	-	51,234	-	-	51,234	-	51,234
Actuarial gains on post-retirement health care benefits		-	-	-	-	-	-	2,185	-	-	2,185	-	2,185
Mark-to-market of available-for-sale financial assets		-	-	-	-	-	-	(35)	-	-	(35)	-	(35)
Total comprehensive income		-	-	-	-	-	-	364,102	-	-	364,102	-	364,102
Effect on non-controlling interests		-	-	-	-	-	-	-	-	-	-	(732)	(732)
Realization of revaluation reserve - subsidiaries		-	-	(586)	-	-	-	-	-	586	-	-	-
Repurchase of shares	15(b)	-	-	-	-	-	(531,215)	-	-	-	(531,215)	-	(531,215)
Disposal of treasury shares – exercise of stock options	18(a)	-	(8,824)	-	-	-	60,809	-	-	-	51,985	-	51,985
Recognition of stock option plan	18(a)	-	28,136	-	-	-	-	-	-	-	28,136	-	28,136
Approval/payment of dividend	15(g)	-	-	-	-	-	-	-	(388,703)	-	(388,703)	-	(388,703)
Net income for the year		-	-	-	-	-	-	-	-	1,081,516	1,081,516	(569)	1,080,947
Destination of profit:													
Dividends	15(g)	-	-	-	-	-	-	-	145,703	(815,213)	(669,510)	-	(669,510)
Interest on equity	15(g)	-	-	-	-	-	-	-	-	(50,000)	(50,000)	-	(50,000)
Setting up of statutory reserves		-	-	-	-	216,889	-	-	-	(216,889)	-	-	-

Statements of changes in equity

Years ended December 31, 2014 and 2013

(In thousands of reais)

(Continued)

	Note	Capital	Capital reserve	Revaluation reserves (Note 15(c))	Income reserves (Note 15(e)) Legal reserve	Income reserves (Note 15(e)) Statutory reserves	Treasury shares (Note 15(b))	Other comprehensive income	Proposed additional dividend	Retained earnings	Total	Non-controlling interests	Total equity
Balances at December 31, 2013		2,540,239	16,056,681	21,360	3,453	791,320	(955,026)	680,499	145,703	-	19,284,229	14,663	19,298,892
		Attributable to shareholders of the parent company											
Exchange rate variation on foreign investment		-	-	-	-	-	-	**451,195**	-	-	**451,195**	-	**451,195**
Hedge of investment, net of taxes		-	-	-	-	-	-	**(126,669)**	-	-	**(126,669)**	-	**(126,669)**
Comprehensive income of foreign associate		-	-	-	-	-	-	**(785)**	-	-	**(785)**	-	**(785)**
Actuarial gains on post-retirement health care benefits		-	-	-	-	-	-	**467**	-	-	**467**	-	**467**
Mark-to-market of available-for-sale financial assets		-	-	-	-	-	-	**(2)**	-	-	**(2)**	-	**(2)**
Total comprehensive income		-	-	-	-	-	-	**324,206**	-	-	**324,206**	-	**324,206**
Effect on non-controlling interests		-	-	-	-	-	-	-	-	-	-	**(93)**	**(93)**
Realization of revaluation reserve - subsidiaries		-	-	**(586)**	-	-	-	-	-	**586**	-	-	-
Repurchase of shares	15(b)	-	-	-	-	-	**(937,600)**	-	-	-	**(937,600)**	-	**(937,600)**
Disposal of treasury shares – exercise of stock options	18(a)	-	**(5,339)**	-	-	-	**49,559**	-	-	-	**44,220**	-	**44,220**
Cancellation of treasury shares	15(b)	-	**(859,793)**	-	-	-	**859,793**	-	-	-	-	-	-
Recognition of stock option plan	18(a)	-	**28,805**	-	-	-	-	-	-	-	**28,805**	-	**28,805**
Discontinued operations – non-controlling interest	24	-	-	-	-	-	-	-	-	-	-	**(6,537)**	**(6,537)**
Approval/payment of dividend	15(g)	-	-	-	-	-	-	-	**(145,703)**	-	**(145,703)**	-	**(145,703)**
Net income for the period		-	-	-	-	-	-	-	-	**977,053**	**977,053**	**861**	**977,914**
Destination of profit:													
Dividends	15(g)	-	-	-	-	-	-	-	**185,941**	**(781,642)**	**(595,701)**	-	**(595,701)**
Setting up of statutory reserves		-	-	-	-	**195,997**	-	-	-	**(195,997)**	-	-	-
Balances at December 31, 2014		**2,540,239**	**15,220,354**	**20,774**	**3,453**	**987,317**	**(983,274)**	**1,004,705**	**185,941**	**-**	**18,979,509**	**8,894**	**18,988,403**

Statements of cash flow

Years ended December 31, 2014 and 2013

(In thousands of reais)

	Note	BM&FBOVESPA 2014	BM&FBOVESPA 2013(*)	Consolidated 2014	Consolidated 2013(*)
Cash flow from operating activities					
Net income for the year		**977,053**	1,081,516	**977,914**	1,080,947
Adjustments:					
Depreciation/amortization	8	**117,479**	117,924	**119,133**	119,534
Gain/loss on sale of property and equipment		**64**	432	**64**	432
Software and projects written off		**2,208**	-	**2,208**	-
Gain/loss on disposal of investment		**7,692**	388	**7,807**	349
Deferred income tax and social contribution	19	**556,800**	546,491	**556,800**	546,491
Equity pickup	7	**(226,926)**	(175,519)	**(212,160)**	(171,365)
Variation in non-controlling interests		**-**	-	**258**	(639)
Stock option plan expenses	18	**28,805**	28,136	**28,805**	28,136
Interest expenses		**96,923**	91,636	**96,923**	91,636
Provision for tax, civil and labor contingencies		**10,177**	20,063	**10,197**	20,065
Provision of impairment of receivables	5	**506**	1,628	**580**	1,628
Variation in financial investments and collateral for transactions		**240,483**	26,513	**323,842**	(83,322)
Variation in taxes recoverable and prepaid		**35,202**	124,909	**35,202**	124,909
Variation in accounts receivable		**(4,407)**	769	**(4,709)**	994
Variation in other receivables		**9,090**	2,205	**6,825**	559
Variation in prepaid expenses		**(17,370)**	4,380	**(17,374)**	4,405
Variation in judicial deposits		**(11,605)**	(10,755)	**(11,620)**	(10,843)
Variation in earnings and rights on securities in custody		**(3,636)**	5,950	**(3,636)**	5,950
Variation in suppliers		**29,467**	(23,654)	**21,556**	(15,088)
Variation in provision for taxes and contributions payable		**(639)**	(2,747)	**(412)**	(2,379)
Variation in income tax and social contribution		**-**	-	**696**	(1,131)
Variation in salaries and social charges		**(2,146)**	366	**(2,275)**	419
Variation in other liabilities		**491**	72,905	**(89,747)**	169,304
Variation in provision for tax, civil and labor contingencies		**4,113**	5,076	**4,482**	5,320
Variation in obligation with post-retirement health care benefit		**3,139**	1,717	**3,139**	1,717
Net cash from operating activities		**1,852,963**	1,920,329	**1,854,498**	1,918,028
Cash flow from investing activities					
Proceeds from sale of property and equipment	8	**1,172**	1,092	**1,305**	1,174
Payment for purchase of property and equipment	8	**(54,410)**	(128,860)	**(54,639)**	(129,044)
Dividends received	7	**167,752**	98,080	**164,802**	98,080
Purchase of software and projects	9	**(167,052)**	(216,849)	**(167,052)**	(216,849)
Cash impact from discontinued operations		**-**	-	**(13)**	-
Net cash used in investing activities		**(52,538)**	(246,537)	**(55,597)**	(246,639)
Cash flow from financing activities					
Disposal of treasury shares – stock options exercised	18	**44,220**	51,985	**44,220**	51,985
Repurchase of shares	15(b)	**(937,600)**	(531,215)	**(937,600)**	(531,215)
Changes in financing		**(244)**	(316)	**(244)**	(316)
Interest paid		**(90,433)**	(85,168)	**(90,433)**	(85,168)
Payment of dividends and interest on equity		**(741,145)**	(1,108,630)	**(741,145)**	(1,108,630)
Net cash used in financing activities		**(1,725,202)**	(1,673,344)	**(1,725,202)**	(1,673,344)
Net increase (decrease) in cash and cash equivalents		**75,223**	448	**73,699**	(1,955)
Balance of cash and cash equivalents at beginning of year	4	**36,774**	36,326	**41,687**	43,642
Balance of cash and cash equivalents at end of year	4	**111,997**	36,774	**115,386**	41,687

(*) Balances for 2013 have been restated in accordance with CPC31 – Discontinued Operations (Note 24).

Statements of value added

Years ended December 31, 2014 and 2013

(In thousands of reais)

	Note	BM&FBOVESPA		Consolidated	
		2014	**2013(*)**	**2014**	**2013(*)**
1- Revenues	20	**2,208,569**	2,334,355	**2,246,452**	2,364,956
Trading, clearing and settlement system		**1,843,969**	1,940,508	**1,843,950**	1,940,508
Other revenues		**364,600**	393,847	**402,502**	424,448
2 – Goods and services acquired from third parties		**262,776**	244,621	**266,253**	255,353
Expenses (a)		**262,776**	244,621	**266,253**	255,353
3 - Gross value added (1-2)		**1,945,793**	2,089,734	**1,980,199**	2,109,603
4 - Retentions		**117,479**	117,924	**119,133**	119,534
Depreciation and amortization	8	**117,479**	117,924	**119,133**	119,534
5 – Net value added produced by the Company (3-4)		**1,828,314**	1,971,810	**1,861,066**	1,990,069
6 – Value added transferred from others		**585,385**	472,006	**573,921**	470,233
Equity pickup	7	**226,926**	175,519	**212,160**	171,365
Financial income	22	**358,459**	296,487	**361,761**	298,868
7 - Total value added to be distributed (5+6)		**2,413,699**	2,443,816	**2,434,987**	2,460,302
8 – Distribution of value added		**2,413,699**	2,443,816	**2,434,987**	2,460,302
Personnel and related charges		**342,333**	341,772	**354,411**	352,017
Board and committee members' compensation		**8,683**	8,078	**8,683**	8,078
Taxes, charges and contributions (b)					
Federal		**895,732**	864,856	**902,104**	870,022
Municipal		**29,813**	30,076	**30,464**	30,716
Financial expenses	22	**152,393**	117,130	**153,604**	118,173
Interest on equity and dividends		**781,642**	865,213	**781,642**	865,213
Setting up of statutory reserves		**195,411**	216,303	**196,272**	215,734
Discontinued operation (Note 24)		**7,692**	388	**7,807**	349

(*) Balances for 2013 have been restated in accordance with CPC31 – Discontinued Operations (Note 24).

(a) Expenses (excludes personnel, board and committee members' compensation, depreciation and taxes).
(b) Includes: Taxes, PIS and COFINS, taxes on services, current and deferred income tax and social contribution.

Notes to The Financial Statements

(In thousands of reais, except if otherwise indicated)

1. Operations

BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros (BM&FBOVESPA) is a publicly-traded corporation headquartered in the city of São Paulo and whose objective is to carry out or invest in companies engaged in the following activities:

- Management of organized securities markets, promoting the organization, operation and development of free and open markets for the trading of any types of securities or contracts, that have as reference or objective financial assets, indices, indicators, rates, goods, currencies, energy, transportation, commodities and other assets or rights directly or indirectly related thereto, for spot or future settlement;
- Maintenance of appropriate environments or systems for carrying out purchases, sales, auctions and special operations involving securities, notes, rights and assets, in the stock exchange market and in the organized over-the-counter market;
- Rendering services of registration, clearing and settlement, both physical and financial, internally or through a company especially incorporated for this purpose, assuming or not the position of central counterparty and guarantor of the definite settlement, under the terms of applicable legislation and its own regulations;
- Rendering services of central depository and custody of fungible and non-fungible goods, marketable securities and any other physical and financial assets;
- Providing services of standardization, classification, analysis, quotations, statistics, professional education, preparation of studies, publications, information, libraries and software on matters of interest to BM&FBOVESPA and the participants in the markets directly or indirectly managed by it;
- Providing technical, administrative and managerial support for market development, as well as carrying out educational, promotional and publishing activities related to its objective and to the markets managed by it;
- Performance of other similar or related activities authorized by the Brazilian Securities Commission (CVM); and
- Investment in the capital of other companies or associations, headquartered in Brazil or abroad, as a partner, shareholder or member pursuant to the pertinent regulations.

BM&FBOVESPA organizes, develops and provides for the operation of free and open securities markets, for spot and future settlement. Its activities are carried out through its trading systems and clearinghouses, and include transactions with securities, interbank foreign exchange and securities under custody in the Special System for Settlement and Custody (SELIC).

BM&FBOVESPA develops technology solutions and maintains high performance systems, providing its customers with security, agility, innovation and cost effectiveness. The success of its activities depends on the ongoing improvement, enhancement and integration of its trading and settlement platforms and its ability to develop and license leading-edge technologies required for the good performance of its operations.

With the objective of responding to the needs of customers and the specific requirements of the market, its wholly-owned subsidiary Banco BM&FBOVESPA de Serviços de Liquidação e Custódia S.A. provides its members and its clearinghouses with a centralized custody service for the assets pledged as margin for transactions.

The subsidiaries BM&FBOVESPA (UK) Ltd. located in London and BM&F (USA) Inc., located in the city of New York, USA, and a representative office in Shanghai, China, represent BM&FBOVESPA abroad through relationships with other exchanges and regulators, as well as assisting in the procurement of new clients for the market.

2. Preparation and presentation of financial statements

These financial statements were approved by the Board of Directors of BM&FBOVESPA on February 10, 2015.

The financial statements have been prepared and are being presented in accordance with accounting practices adopted in Brazil.

a) Consolidated financial statements

The consolidated financial statements were prepared based on international accounting standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), implemented in Brazil by the Brazilian Accounting Pronouncements Committee (CPC) and through its technical interpretations (ICPC) and guidelines (OCPC), approved by the Brazilian Securities Commission (CVM).

The consolidated financial statements include the balances of BM&FBOVESPA and its subsidiaries, as well as special purpose entities comprising investment funds, as follows:

	Ownership %	
Subsidiaries and controlled entities	**2014**	**2013**
Banco BM&FBOVESPA de Serviços de Liquidação e Custódia S.A. (“Banco BM&FBOVESPA”)	**100.00**	100.00
Bolsa Brasileira de Mercadorias (1)	**-**	53.28
Bolsa de Valores do Rio de Janeiro - BVRJ (“BVRJ”)	**86.95**	86.95
BM&F (USA) Inc.	**100.00**	100.00
BM&FBOVESPA (UK) Ltd.	**100.00**	100.00

(1) Discontinued operation (Note 24).

Exclusive investment funds:
Bradesco Fundo de Investimento Renda Fixa Letters
BB Pau Brasil Fundo de Investimento Renda Fixa
HSBC Fundo de Investimento Renda Fixa Longo Prazo Eucalipto

a) Individual financial statements

The individual financial statements have been prepared in accordance with accounting practices adopted in Brazil, which comprise the provisions contained in the Brazilian Corporate Law (Law No. 6404/76) and embodies the changes introduced through Laws 11.638/07 and 11.941/09, and the pronouncements, interpretations and guidelines of the Brazilian Accounting Pronouncements Committee (CPC), approved by the Brazilian Securities Commission (CVM). Until December 31, 2013, such practices differed from IFRS applicable to individual financial statements solely as regards to assessment of investments in subsidiaries and associates under the equity method. IFRS required evaluation of these investments by their fair value or their cost value.

Upon issuance of IAS 27 (Separate Financial Statements) reviewed by IASB in 2014, the individual financial statements issued under IFRS allow the use of the equity method for assessment of investments in subsidiaries and associates. In December 2014, CVM issued Rule No. 733/2014, which approved the Technical Pronouncement Review Document No. 07 referring to CPC Pronouncements CPC 18, CPC 35 and CPC 37 issued by the Brazilian Accounting Pronouncements Committee (CPC), and incorporated the referred to IAS 27 review, allowing the adoption thereof as from the year ended December 31, 2014. Consequently, the individual financial statements are in accordance with the IFRS as from that year.

3. Significant accounting practices

a) Consolidation

The following accounting practices are applied in preparing the consolidated financial statements.

Subsidiaries

Subsidiaries are fully consolidated from the date on which control is transferred to BM&FBOVESPA. Consolidation is discontinued from the date on which control ends.

Intercompany transactions, balances and unrealized gains on transactions between companies included in the consolidation are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. The accounting practices of subsidiaries are altered where necessary to ensure consistency with the practices adopted by BM&FBOVESPA.

Associates

Investments in associates are recorded using the equity method and are initially recognized at cost. BM&FBOVESPA’s investment in associates includes goodwill identified on acquisition, net of any accumulated impairment.

BM&FBOVESPA applies the equity method to assess investments in companies capable of causing a significant impact. BM&FBOVESPA’s judgment as regards the level of influence on investments takes into consideration key factors, such as ownership interest percentage, representation by the Board of Directors, participation in the definition of policies and businesses and material intercompany transactions. For the investment in CME Group, the corresponding financial statements originally prepared pursuant to the United States accounting standards (USGAAP) are adjusted to the accounting standards effective in Brazil before calculation of the referred to equity pickup.

b) Revenue recognition

Revenues from the rendering of services and from trading and settlement systems are recognized upon the completion of the transactions, under the accrual method of accounting. The amounts received as annual fees, as in the cases of listing of securities and certain contracts for sale of market information, are recognized pro rata monthly over the contractual term.

c) Cash and cash equivalents

The balances of cash and cash equivalents for cash flow statement purposes comprise cash and bank deposits.

d) Financial instruments

(i) *Classification and measurement*

BM&FBOVESPA initially classifies its financial assets, depending on the purpose of the asset acquisition, into the following categories: at fair value through profit or loss, loans and receivables and available for sale.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are financial assets held for active and frequent trading or assets designated by the entity on initial recognition. Gains or losses arising from the changes in fair value of financial instruments are recorded in the statement of income in “Financial results” for the period in which they occur.

Receivables

This category includes non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The receivables of BM&FBOVESPA mostly comprise customer receivables. Loans and receivables are recorded at amortized cost using the effective interest rate method less any impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives which are classified in this category or not classified in any other. Available-for-sale financial assets are recorded at fair value. Interest on available-for-sale securities, calculated using the effective interest rate method, is recognized in the statement of income as finance income. The amount relating to the changes in fair value is record in comprehensive income, net of taxes, and is transferred to the statement of income when the asset is sold or becomes impaired.

(ii) *Derivative instruments*

Initially, derivatives are recognized at fair value, with the subsequent changes in fair value recognized in the income statement.

(iii) *Hedge of net investments*

Any gain or loss in the hedge instrument related to the effective hedge portion is recognized in other comprehensive income, net of tax effects. The gain or loss related to the ineffective portion is recognized immediately in the income statement.

Any cumulative gains and losses in equity are transferred to the income statement when the hedged operation is partially disposed of or sold.

(iv) *Cash flow hedge – Firm commitment*

Any gain or loss in the hedge instrument related to the effective portion is recognized under equity, in "Other comprehensive income", net of tax effects. Consequently, the exchange variation in cash and cash equivalents in foreign currency, previously recognized in financial result prior to its recognition as a hedge instrument, accumulates in equity and is transferred to income/loss for the same period and the same account group under which the hedged transaction is recognized. When the hedged transaction implies recognition of a non-financial asset, gains and losses recognized in equity are transferred and included in the initial measurement of the asset cost. The non-effective portion of the hedge is immediately recognized in the income statement.

(v) *Hedge effectiveness analysis*

BM&FBOVESPA adopts the Dollar offset method as the methodology for retrospective effectiveness test on a cumulative and spot basis. For prospective analysis, BM&FBOVESPA uses stress scenarios applied to the range of 80% to 125%.

e) Accounts receivable, other receivables and provision for impairment of receivables

Trade receivables are initially recognized at transaction value and adjusted for a provision of impairment of receivables, if necessary.

f) Noncurrent assets held for sale and discontinued operations

Assets of the disposal group are classified as held for sale when their carrying value is recoverable, particularly in the case of a sale and when the completion of such sale is practically certain. These assets are measured at the lower of the carrying amount and the fair value less costs to sell.

Discontinued operations related to components derecognized or classified as held for sale are disclosed in the financial statements separately from the other BM&FBOVESPA's operations.

In the income statements, revenue and expenses from discontinued operations, and gains and losses from derecognition of assets held for sale are presented under one single account, "Gains/Losses from Discontinued Operations", net of income and social contribution tax effects. Details on the referred to discontinued operations are described in Note 24.

g) Intangible assets

Goodwill

The goodwill recorded in intangible assets arises from acquisitions conducted by BM&FBOVESPA and is stated at cost less accumulated impairment losses. Recognized impairment losses on goodwill are not subsequently reversed.

Software and projects

Software licenses acquired are capitalized based on incurred costs and amortized over their estimated useful life, at the rates mentioned in Note 9.

Expenses associated with the development or maintenance of software are recognized as expenses as incurred. Expenditures directly associated with the development of identifiable and unique software, controlled by BM&FBOVESPA and which will probably generate economic benefits greater than the costs for more than one year, are recognized as intangible assets.

Amortization expense is recognized in the income statement unless it is included in the carrying amount of another asset. In such cases, amortization of intangible assets used for development activities is included as part of the cost of another intangible asset.

Expenditures for development of software recognized as assets are amortized using the straight-line method over the assets' useful lives, at the rates described in Note 9.

h) Property and equipment

These are recorded at the cost of acquisition or construction less accumulated depreciation. Depreciation is calculated under the straight-line method and takes into consideration the estimated useful lives of the assets and their residual value. At the end of each year, the residual values and useful lives of assets are reviewed and adjusted if necessary.

Subsequent costs are included in the carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits will be obtained and the cost of the item can be measured reliably. All other repair and maintenance costs are recorded in the income statement, as incurred.

Depreciation expense is recognized in the income statement unless it is included in the carrying amount of another asset. Depreciation of fixed assets used for development activities is included as part of the cost of the related intangible asset.

i) Provisions for tax, civil and labor contingencies, contingent assets and liabilities and judicial deposits

The recognition, measurement, and disclosure of provisions for tax, civil and labor contingencies, contingent assets and liabilities and judicial deposits comply with the criteria defined in CPC 25/IAS 37.

j) Judicial deposits

Judicial deposits are related to tax, civil and labor contingencies and are adjusted for inflation and presented in noncurrent assets.

k) Collateral for transactions

Comprises amounts received from market participants as collateral for default or insolvency. Amounts received in cash are recorded as liabilities and other collaterals are managed off-balance sheet. Both types of collateral received are not subject to interest or any other charges.

l) Other assets and liabilities

These are stated at their known and realizable/settlement amounts plus, where applicable, related earnings and charges and monetary and/or exchange rate variations up to the balance sheet date.

m) Impairment of assets

Assets that have an indefinite life, such as goodwill, are not subject to amortization and are tested annually for impairment, and indications of possible impairment are reassessed in shorter periods. The assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

For purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-Generating Units (CGU)). Non-financial assets other than goodwill that suffered impairment are reviewed subsequently for possible reversal of the impairment at each reporting date.

n) Employee benefits

(i) *Pension obligations*

BM&FBOVESPA maintains a defined contribution retirement plan with voluntary participation open to all employees. The Company has no obligations to make additional payments as a sponsor. The regular contributions are included in personnel costs in the period they are due.

(ii) *Share-based remuneration (stock options)*

BM&FBOVESPA maintains a long-term remuneration plan, structured by options granted to purchase the Company's shares under the Stock Option Plan. The objective is to give the employees of BM&FBOVESPA and its subsidiaries the opportunity to become shareholders of BM&FBOVESPA, obtaining a greater alignment between its interests and the shareholders' interests as well as allow BM&FBOVESPA and its subsidiaries to attract and retain their management and employees. The fair value of options granted is recognized as an expense during the vesting period (the period during which the specific vesting conditions must be met). At the balance sheet date, BM&FBOVESPA reviews its estimates of the number of options that will vest based on the established conditions. BM&FBOVESPA recognizes the impact of any changes to the original estimates, if any, in the income statement, against a capital reserve in equity.

On May 13, 2014, the Special Shareholders' Meeting approved the amendments to the articles of incorporation whereby setting up of a stock granting plan was authorized, additionally to the stock option plan. Such plan will have an impact on net income as from 2015.

(iii) *Profit sharing*

BM&FBOVESPA has semi-annual variable remuneration, organized and paid in cash through the Profit Sharing Program. The program defines the potential multiple of monthly salary, based on individual performance indicators, which consider factors specific to each function (job level), and indicators of the overall performance of BM&FBOVESPA. The provision for such profit sharing program is recognized in income on an accrual basis.

(iv) *Other post-employment obligations*

BM&FBOVESPA offers post-retirement healthcare benefit to the employees who have acquired this right until May 2009. The right to this benefit is conditional on the employee remaining with the Company until the retirement age and completing a minimum service period. The expected costs of these benefits are accumulated over the period of employment or the period in which the benefit is expected to be earned, using the actuarial methodology which considers life expectancy of the group in question, increase in costs due to the age and medical inflation, inflation and discount rate. The contributions that participants make according to the specific rule of the Health Care Plan are deducted from these costs. The actuarial gains and losses on the health care plan for retirees are recognized in the income statement in accordance with the rules of IAS 19 and CPC 33 - Employee Benefits, based on actuarial calculation prepared by an independent actuary, according to Note 18(c).

o) <u>Borrowing and financing</u>

Borrowing and financing are measured initially at fair value, less transaction costs incurred, and are subsequently carried at amortized cost. Any difference between the funds raised (net of transaction costs) and the amount repayable is recognized in the income statement over the period of the loans, using the effective interest rate method.

p) <u>Foreign currency translation</u>

The items included in the financial statements for each of the consolidated companies of BM&FBOVESPA are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Brazilian reais, which is the functional currency of BM&FBOVESPA.

Transactions in foreign currencies are translated into Brazilian reais using the exchange rates prevailing on the dates of the transactions or the date of evaluation when items are remeasured. The foreign exchange gains and losses arising from the settlement of these transactions and from the translation, at the exchange rates at the end of the year/period, of monetary assets and liabilities in foreign currencies, are recognized in the income statement, except when deferred in other comprehensive income relating to a hedge of a foreign investment.

Exchange differences on the investments in foreign operations, which have a functional currency different from that of BM&FBOVESPA, are recorded under "Equity adjustments" in other comprehensive income, and are only taken to the income statement for the period when the investment is sold or written off.

q) <u>Taxes</u>

BM&FBOVESPA is a for-profit business corporation and accordingly its results are subject to certain taxes and contributions.

(i) *Current and deferred income tax and social contribution*

Current and deferred income and social contribution taxes for the year are calculated at 15%, plus a 10% surtax on taxable profit exceeding R$240 for income tax, and 9% (15% for Banco BM&FBOVESPA) on taxable income for social contribution tax on net profit, and take into account the offset of income and social contribution tax losses, if any, limited to 30% of taxable profit.

Deferred income and social contribution taxes are calculated on respective tax losses, and temporary differences between the tax base on assets and liabilities and their carrying amounts contained in the financial statements.

Deferred tax assets are recognized to the extent that it is probable that there will be future taxable profit available to offset temporary differences and/or tax losses.

The Rio de Janeiro Stock Exchange (BVRJ) is a not-for-profit entity and, therefore, exempt from income tax and social contribution tax.

(ii) *Other taxes*

The other taxes charged over trading, clearing and settlement fees and other services were calculated at the rates of 1.65% for PIS and 7.60% for COFINS, and are deducted in P&L under “Revenues”.

Banco BM&FBOVESPA calculates PIS and COFINS at the rates of 0.65% and 4%, respectively.

The Rio de Janeiro Stock Exchange (BVRJ) pays PIS at the rate of 1% on payroll.

BM&FBOVESPA and its subsidiaries pay Service Tax (ISS) on the services rendered at rates ranging from 2% to 5% depending on the nature of the service.

r) Earnings per share

For purposes of disclosure of earnings per share, basic earnings per share are calculated by dividing the profit attributable to shareholders of BM&FBOVESPA by the average number of shares outstanding during the period. Diluted earnings per share are calculated similarly, except that the quantity of outstanding shares is adjusted to reflect the additional shares that would have been outstanding if potentially dilutive shares had been issued for granted stock options (Note 15(h)).

s) Distribution of dividends and interest on equity

The distribution of dividends and interest on equity to shareholders of BM&FBOVESPA is recognized as a liability in the quarterly information at the end of the period, based on the BM&FBOVESPA’s Articles of Incorporation. Any amount above the mandatory minimum dividend is accrued only on the date it is approved by the shareholders at an Annual General Meeting. The tax benefit over the interest on equity is recorded in the income statement.

t) Segment information

Operating segments are presented in a manner consistent with the internal reports provided to the Executive Board, which is responsible for making the main operational and strategic decisions of BM&FBOVESPA and for implementing the strategies defined by the Board of Directors.

u) Significant accounting estimates and judgments

Preparation of financial statements requires use of certain significant accounting estimates, as well as use of judgment by management in the process of applying the accounting policies of BM&FBOVESPA. Those more complex areas which require higher degree of judgment, as well as those where the assumptions and estimates are significant for the financial statements, are the following:

- Equity pickup – Note 3(a),
- Impairment of assets – Notes 3(m) and 9,
- Classification of financial instruments – Note 3(d),
- Stock option plan – Note 3(n),
- Post-retirement health care plan – Note 18(c),
- Provisions for tax, civil and labor contingencies, contingent assets and liabilities (Note 14).

v) Recently issued accounting standards applicable in future periods

The following standards were issued by the IASB and are mandatory for subsequent financial years, with no early adoption by BM&FBOVESPA. The adoption will occur after the issuance of technical pronouncements by CPC and approval by the Brazilian Securities Commission (CVM). Management is assessing the potential impacts from these standards on the financial statements:

- IFRS 15 – Revenue from Contracts with Customers – Issued in May 2014, and effective on or after January 1, 2017. IFRS 15 replaces the current rules IAS 11 – Construction Contracts and IAS 18 – Revenue, and establishes the principles for measurement, recognition and disclosure of revenue.

- IFRS 9 – Financial Instruments – The final version was issued in July 2014, and will be effective on and after January 1, 2018. It replaces IAS 39 – Financial Instruments: Recognition and Measurement and the previous versions of IFRS 9. IFRS 9 establishes new requirements for classification and measurement, impairment and hedge accounting of financial instruments.

w) Current and noncurrent assets and liabilities

Assets and liabilities are classified as current whenever their realization or settlement term is one year or less (or another term that follows the normal cycle of BM&FBOVESPA). They are otherwise stated as noncurrent.

4. Cash and cash equivalents and financial investments

a) Cash and cash equivalents

Description	BM&FBOVESPA 2014	2013
Cash and bank deposits in local currency	**98**	267
Bank deposits in foreign currency	**111,899**	36,507
Cash and cash equivalents	**111,997**	36,774
Bank deposits in foreign currency – Third-party funds (1)	**385,149**	1,154,902
Total cash and banks	**497,146**	1,191,676

Description	Consolidated 2014	2013
Cash and bank deposits in local currency	**236**	417
Bank deposits in foreign currency	**115,150**	41,270
Cash and cash equivalents	**115,386**	41,687
Bank deposits in foreign currency – Third-party funds (1)	**385,149**	1,154,902
Total cash and cash equivalents	**500,535**	1,196,589

(1) Third-party funds restricted to full settlement of the exchange transaction (Exchange clearing).

Cash and cash equivalents are held with top-tier financial institutions in Brazil or abroad. Deposits in foreign currency are primarily in US dollars.

b) Financial investments

The breakdown of financial investments by category, nature and maturity is as follows:

BM&FBOVESPA

Description	Without maturity	Up to 3 months	More than 3 months and up to 12 months	More than 12 months and up to 5 years	More than 5 years	2014	2013
Financial assets measured at fair value through profit or loss							
Financial investment fund (1)	1,910,788	-	-	-	-	**1,910,788**	2,347,806
Interest-bearing account - foreign deposits	33,827	-	-	-	-	**33,827**	21,849
Repurchase agreements (2)	-	77	-	-	-	**77**	6,919
Federal government securities							
Financial Treasury Bills (LFT)	-	1,687	7,511	570,333	410,887	**990,418**	836,379
National Treasury Bills (LTN)	-	54,976	-	14	-	**54,990**	20
National Treasury Notes (NTN)	-	-	51	-	-	**51**	48
Other investments (3)	10,182	-	-	-	-	**10,182**	9,096
Total financial investments	**1,954,797**	**56,740**	**7,562**	**570,347**	**410,887**	**3,000,333**	3,222,117
Short-term						**2,019,099**	2,784,750
Long-term						**981,234**	437,367

Consolidated

Description	Without maturity	Up to 3 months	More than 3 months and up to 12 months	More than 12 months and up to 5 years	More than 5 years	2014	2013
Financial assets measured at fair value through profit or loss							
Financial investment fund (4)	100,244	-	-	-	-	**100,244**	223,256
Interest-bearing account - foreign deposits	35,085	-	-	-	-	**35,085**	23,038
Repurchase agreements (2)	-	1,666,721	9,899	-	-	**1,676,620**	2,051,569
Federal government securities							
Financial Treasury Bills (LFT)	-	2,733	53,881	678,168	413,103	**1,147,885**	1,173,676
National Treasury Bills (LTN)	-	59,974	-	260,445	-	**320,419**	122,753
National Treasury Notes (NTN)	-	-	51	-	-	**51**	48
Other investments (3)	10,185	-	-	-	-	**10,185**	9,099
	145,514	1,729,428	63,831	938,613	413,103	**3,290,489**	3,603,439
Financial assets available for sale							
Federal government securities							
Financial Treasury Bills (LFT)	-	14,990	7,328	23,842	16,709	**62,869**	70,269
National Treasury Bills (LTN)	-	1,108	-	170	-	**1,278**	188
National Treasury Notes (NTN)	-	-	30	290	36	**356**	275
	-	16,098	7,358	24,302	16,745	**64,503**	70,732
Total financial investments	**145,514**	**1,745,526**	**71,189**	**962,915**	**429,848**	**3,354,992**	3,674,171
Short-term						**1,962,229**	2,853,393
Ling-term						**1,392,763**	820,778

(1) Refers to investments in financial investment funds, whose portfolios mainly comprise investments in government securities and repurchase agreements that have the CDI (Interbank Deposit Certificate rate) as their profitability benchmark. The consolidated balances of investment funds are presented according to the nature and maturity of the portfolio in proportion of the net assets invested.
The net assets of the investment funds included in the consolidation of the financial statements are: (i) Bradesco FI Renda Fixa Letters – R$1,353,384 (2013 - R$1,529,024); (ii) BB Pau Brasil FI Renda Fixa – R$333,182 (2013 - R$340,641); (iii) HSBC FI Renda Fixa Longo Prazo Eucalipto – R$123,976 (2013 - R$254,933).
(2) Issued by top-tier banks and backed by government securities.
(3) Refers mainly to investments in gold.
(4) The primary non-exclusive investment funds are: (i) Bradesco Empresas FICFI Referenciado DI Federal, of R$45,020 (2013 - R$62,432); (ii) Araucária Renda Fixa FI - R$874 (2013 - R$101,031); (iii) Santander Fundo de Investimento Cedro Renda Fixa - R$54,333; and (iv) FI Jacarandá Renda Fixa - R$59,722 at December 31, 2013..

The government securities are held in the custody of the Special System for Settlement and Custody (SELIC), the investment fund shares are held in the custody of their respective administrators and the shares are in the custody of BM&FBOVESPA's Equity and Corporate Debt Clearinghouse.

There was no reclassification of financial instruments between categories in the year.
Management periodically monitors its outstanding positions and possible risks of impairment of its financial assets. Therefore, based on the nature of these assets (mostly highly-liquid government securities), BM&FBOVESPA has no significant impairment history.

The carrying amount of financial assets is reduced directly for impairment impacting P&L for the period. Subsequent recoveries of amounts previously written off are recognized in P&L for the period.

Fair value

BM&FBOVESPA applies CPC 40/IFRS 7 for financial instruments measured at fair value, which requires disclosure of fair value measurements by level of the hierarchy specified therein.

The fair value of the main financial instruments is calculated as follows:

Financial investment funds - the fair value is determined based on the value of the unit on the last business day prior to the balance sheet date, as disclosed by the corresponding fund administrator.

Government securities – valued based on the amounts and prices disclosed by the Brazilian Financial and Capital Markets Association (ANBIMA) or, when these are unavailable, on the price determined by management which best reflects the sales value, determined based on information obtained from other institutions.

Repurchase agreements - valued daily in accordance with the market price of the security.

Financial assets measured at fair value through profit or loss, available for sale, and derivative financial instruments are classified as level 1, i.e. they have quoted prices (unadjusted) in active markets.

During the year no *impairment* was recorded for the available-for-sale financial instruments.

Derivative financial instruments

Derivative financial instruments comprise future interest rate contracts (DI1) stated at their market values. These contracts are included in the exclusive fund portfolios which were consolidated (Note 2(a)) and are used to cover fixed interest rate exposures, swapping fixed interest rate for floating interest rate (CDI). The net result between the derivative transactions and the related financial instrument refers to the short position in future interest rate contracts, with market value of R$4,927 (2013 - R$16,528). DI1 contracts have the same maturity dates as the fixed interest rate contracts to which they relate.

Financial risk management policy

BM&FBOVESPA's policy for cash investments favors alternatives with very low risk, highly liquid and with sovereign risk, whose overall performance is tied to the SELIC / CDI rate, resulting in a significant proportion of government securities in its portfolio, purchased directly, via repurchase agreements backed by government securities and also through exclusive and non-exclusive funds.

Sensitivity analysis

The table below presents the net exposure of all financial instruments (assets and liabilities) by market risk factors, classified in accordance with their rates:

Exposure to Risk Factors (Consolidated)

Risk factor	Risk	2014 Percentage	2013 Percentage
Floating interest rate	Lower CDI / Selic rate	**96.51%**	97.53%
Fixed interest rate	Higher fixed rate	**1.82%**	0.45%
Currency risk	Appreciation of real x foreign currency	**1.36%**	1.77%
Gold	Lower gold price	**0.30%**	0.24%
Inflation	Lower inflation rate	**0.01%**	0.01%
		100.00%	100.00%

Interest rate risk

This risk arises from the possibility that fluctuations in future interest rates for the corresponding maturities could affect the fair value of BM&FBOVESPA's transactions.

Floating-rate position

As a financial investment policy and considering the need for immediate liquidity with the least possible impact from interest rate fluctuations, BM&FBOVESPA maintains its financial assets and liabilities primarily indexed to floating interest rates.

		Impact on financial result				
	Risk factor	**Scenario -50%**	**Scenario -25%**	**Scenario Probable**	**Scenario 25%**	**Scenario 50%**
Financial investments	CDI/Selic	43,011	63,826	84,211	104,188	123,771
Index rates	CDI/Selic	6.07%	9.11%	12.15%	15.18%	18.22%

(*) CDI/SELIC indexes were calculated based on future interest rates for the next three months.

Fixed-rate position

Part of BM&FBOVESPA's financial investments bears fixed interest rates, resulting in a net exposure to such rates. However, in terms of percentage, in view of the amounts involved, the effects on the portfolio are not considered material.

Currency risk

This risk arises from the possibility of fluctuations in exchange rates in connection with the acquisition of inputs, product sales and asset and liability financial instruments could have an impact on the related amounts in local currency.

In addition to the amounts payable and receivable in foreign currencies, including interest payments on the senior unsecured notes in the next six-month period, BM&FBOVESPA has third-party deposits in foreign currency to guarantee the settlement of transactions by foreign investors and also own funds in foreign currency abroad. At December 31, 2014, the net foreign currency exposure amounted to negative R$10,251 (2013 - negative R$64,049). In view of the amounts involved, the effects on the portfolio are not considered material.

Liquidity risk

The following table shows the main financial liabilities of BM&FBOVESPA by maturity, represented by non-derivative financial liabilities, on an undiscounted cash flows basis:

	No maturity	**Within 1 year**	**From 1 to 2 years**	**From 2 to 5 years**	**Above 5 years**
Collateral for transactions	1,321,935				
Debt issued abroad (1)		90,649	90,898	271,948	1,719,472

(1) Amounts converted by PTAX sale closing rate.

Credit risk and capital management

BM&FBOVESPA prefers very low risk investments, where more than 99% of the allocation of assets is linked to government securities with *ratings* set by Standard & Poor's and Moody's of "BBB-" and "Baa2", respectively, for long-term issues in local currency and characterized as investment grade, in order to obtain high liquidity and sovereign risk, with overall performance linked to the CDI/Selic rate.

The issue of Senior Notes (Note 12) was linked to increasing our equity interest in CME in July 2010 and the creation of a strategic partnership between the companies. In addition, it serves as a natural hedge for the USD exposure generated by the increased investment in CME Group.

Cash flow hedge

As from April 2014, BM&FBOVESPA has allocated part of its cash in foreign currency to cover foreign exchange impacts of certain firm commitments in foreign currency (cash flow hedge), in accordance with IAS 39/CPC 38. The cash flows, the hedged items, realized throughout 2014, regardless of the terms of the agreements exceeded that date.

During the, an amount totaling R$1,433 was transferred from "Other comprehensive income" to Income or loss and R$149, referring to payment cash flows hedged as from April 2014, was transferred to non-financial assets. Also in that year, an amount totaling R$1,517 was not considered for cash flow hedging purposes due to the review of firm contracts, and such amount was transferred from "Other comprehensive income" to Financial income.

5. Accounts receivable

The breakdown of accounts receivable is as follows:

Description	BM&FBOVESPA 2014	BM&FBOVESPA 2013
Fees	**10,487**	10,972
Annual fees	**2,684**	5,485
Vendors - Signal broadcasting	**11,433**	11,620
Trustee and custodial fees	**27,251**	23,592
Other accounts receivable	**9,049**	8,704
Subtotal	**60,904**	60,373
Allowance for doubtful accounts	**(4,307)**	(7,677)
Total	**56,597**	52,696

Description	Consolidated 2014	Consolidated 2013
Fees	**10,487**	12,287
Annual fees	**2,684**	5,485
Vendors - Signal broadcasting	**11,433**	11,620
Trustee and custodial fees	**27,251**	23,592
Other accounts receivable	**10,023**	9,172
Subtotal	**61,878**	62,156
Allowance for doubtful accounts	**(4,307)**	(7,929)
Total	**57,571**	54,227

The amounts presented above are primarily denominated in Brazilian reais and approximately 90% falls due within 90 days. At December 31, 2014, the amounts overdue above 90 days totaled R$4,281 (R$7,682 at December 31, 2013) in BM&FBOVESPA.

The provisioning methodology, as approved by management, is based on the analysis of historical losses. Therefore, a provision is estimated based on historical loss experience for established thresholds (i.e. a specific number of days past due) as a percentage of past-due amounts so as to reflect expected future losses.

Changes in provision for losses:

	BM&FBOVESPA	Consolidated
Balances at December 31, 2012	6,686	6,875
Additions	1,872	1,982
Reversals	(244)	(283)
Write-offs	(637)	(645)
Balances at December 31, 2013	**7,677**	**7,929**
Additions	**854**	**854**
Reversals	**(349)**	**(349)**
Write-offs	**(3,875)**	**(3,875)**
Discontinued operations (Note 24)	**-**	**(252)**
Balances at December 31, 2014	**4,307**	**4,307**

6. Other receivables

Other receivables comprise the following:

	BM&FBOVESPA 2014	BM&FBOVESPA 2013
Current assets		
Dividends receivable - CME Group (Note 16)	**61,635**	71,878
Receivables - related parties (Note 16)	**3,679**	3,307
Properties held for sale	**3,812**	3,812
Advance to employees	**2,566**	1,814
Other	**107**	78
Total	**71,799**	80,889

	Consolidated 2014	Consolidated 2013
Current assets		
Dividends receivable - CME Group (Note 16)	**61,635**	71,878
Receivables - related parties (Note 16)	**261**	285
Properties held for sale	**3,812**	3,812
Advance to employees	**2,566**	1,841
FX transactions (Banco BM&FBOVESPA)	**2,127**	-
Other	**1,918**	1,456
Total	**72,319**	79,272
Noncurrent assets		
Brokers in court-ordered liquidation (1)	**2,200**	2,200
Total	**2,200**	2,200

(1) Balance of accounts receivable from brokers in court-ordered liquidation, which considers the guarantee represented by the equity certificates pledged by the debtor.

7. Investments

a) Investments in subsidiaries and associates

Investments in subsidiaries and associates comprise the following:

Investees	Equity	Total shares	Adjusted P&L	% - Ownership	Investment 2014	Investment 2013	Equity pickup 2014	Equity pickup 2013
Subsidiaries								
Banco BM&FBOVESPA de Liquidação e Custódia S.A.	64,443	24,000	8,367	100	**64,443**	59,028	**8,367**	6,670
Bolsa Brasileira de Mercadorias (Note 24)	-	-	-	-	**-**	7,692	**-**	-
Bolsa de Valores do Rio de Janeiro - BVRJ	68,153	115	7,479	86.95	**59,259**	52,756	**6,503**	(2,693)
BM&F (USA) Inc.	1,095	1,000	(231)	100	**1,095**	1,189	**(231)**	131
BM&FBOVESPA (UK) Ltd.	1,605	1,000	127	100	**1,605**	1,353	**127**	45
					126,402	122,018	**14,766**	4,153
Associate								
CME Group, Inc. (1)	55,577,001	335,455	2,586,559	5.1	**3,729,147**	3,312,606	**131,195**	106,518
Recoverable income tax paid abroad (2)					**-**	-	**80,965**	64,847
					3,729,147	3,312,606	**212,160**	171,365
Total					**3,855,549**	3,434,624	**226,926**	175,518

Description	Banco BM&FBOVESPA	Bolsa de Valores do Rio de Janeiro - BVRJ	BM&F (USA) Inc.	BM&FBOVESPA (UK) Ltd.	CME Group, Inc.
Assets	322,825	74,303	1,203	1,923	191,887,872
Liabilities	258,383	6,150	108	318	136,310,872
Revenues	27,276	10,592	1,031	1,436	2,234,130

Changes in investments:

	Subsidiaries					Associate	
Investments	Banco BM&FBOVESPA	Bolsa Brasileira de Mercadorias	Bolsa de Valores do Rio de Janeiro - BVRJ	BM&F (USA) Inc.	BM&FBOVESPA (UK) Ltd.	CME Group, Inc.	Total
Balances at December 31, 2012	55,143	8,079	55,449	937	1,079	2,893,632	3,014,319
Equity pickup	6,670	(387)	(2,693)	131	45	106,518	110,284
Exchange variation (3)	-	-	-	121	229	431,180	431,530
Comprehensive income (loss) of associate/subsidiary	(35)	-	-	-	-	51,234	51,199
Dividends/IOE received/receivable	(2,750)	-	-	-	-	(169,958)	(172,708)
Balances at December 31, 2013	**59,028**	**7,692**	**52,756**	**1,189**	**1,353**	**3,312,606**	**3,434,624**
Equity pickup	**8,367**	**-**	**6,503**	**(231)**	**127**	**131,195**	**145,961**
Exchange variation (3)	**-**	**-**	**-**	**137**	**125**	**450,933**	**451,195**
Comprehensive income (loss) of associate/subsidiary	**(2)**	**-**	**-**	**-**	**-**	**(785)**	**(785)**
Dividends/IOE received/receivable	**(2,950)**	**-**	**-**	**-**	**-**	**(164,802)**	**(167,754)**
Discontinued operations (Note 24)	**-**	**(7,692)**	**-**	**-**	**-**	**-**	**(7,692)**
Balances at December 31, 2014	**64,443**	**-**	**59,259**	**1,095**	**1,605**	**3,729,147**	**3,855,549**

(1) In July 2010, with the acquisition of 3.2% interest in CME Group for the amount of R$1,075,119, increasing the ownership interest from 1.8% to 5%, BM&FBOVESPA began to recognize the investment using the equity method in accordance with CPC 18/IAS 28, because management understands that the qualitative aspects of the relationship between the two companies indicate the existence of significant influence of BM&FBOVESPA over CME Group.

At December 31, 2014, the fair value of the investment based on the market price of shares was R$3,997,780. Even market value of the investment in CME Group exceeding the carrying amount as from the fouth quarter of 2014, management of BM&FBOVESPA maintained the impairment test at November 30, 2014, given the appreciation of the market value compared to the carrying amount is a recent event. The result of the impairment test, also, did not indicate the any impairment losses of the investment in CME Group.

The impairment test was based on the discounted cash flow method. Considering the expected growth of the industries where CME Group operates, management projected a cash flow that considers activity-related revenue and expenses expressed in nominal US dollars.

Operating cash flows were projected for the period December 2014 to December 2019. Perpetuity was derived by extrapolating free cash flow for 2019 at a growth rate expected for the US nominal GDP in the long term, namely 4.73% per annum (p.a.). The pre-tax discount rate used to obtain the present value of cash flows was 11.95% p.a.

The three major variables impacting the value in use computed for the investment are the discount rates, net revenue growth rates and perpetuity growth rates. The sensitivity analyses show that a 1.0 percentage point (100 bps) increase in the pre-tax discount rate (from 11.95% to 12.95% p.a.) decreases value in use by approximately 13%. Considering a reduction in the annual revenue growth rate of 10% in the period from 2015 to 2019, the value in use decreases by approximately 4%. As for the perpetuity growth rate, a reduction of 0.25 percentage point (50bps) (from 4.73% to 4.48% p.a.) reduces the value in use by approximately 5%. The changes in the discount and perpetuity rates, for purposes of the sensitivity analysis, were determined by reference to a standard deviation of the discount rates over the past four years (which best reflect the existing capital structure of the CME Group) for the former variable, and a standard deviation of US actual GDP at a 30-year historical average for the latter variable. None of the three sensitivity scenarios above, analyzed individually, revealed amounts lower than the investment's book cost as of December 31, 2014.

(2) Refers to recoverable tax paid by the foreign associate, according to Law No. 9249/95 and Revenue Procedure No. 213/02 of the Brazilian Internal Revenue Service (RFB.

(3) In July 2010, BM&FBOVESPA issued US dollar securities to protect part of the foreign exchange risk on the investment in CME Group (hedge of net investment) through the designation of a non-derivative financial instrument (debt issuance abroad) as a hedge, as presented in Note 12. We present below the sensitivity analysis to exchange rate variations for the non-hedged portion of the investment in CME Group:

	Impact on equity			
	Decrease in Dollar rate		Increase in Dollar rate	
	-50%	-25%	25%	50%
Exchange rate	1.3281	1.9922	3.3203	3.9843
Exchange variation on investment in foreign associate	(1,864,573)	(932,287)	932,287	1,864,573
Exchange variation on *hedge* of net foreign investment	812,797	406,399	(406,399)	(812,797)
Tax effect on exchange variation on *hedge* of net foreign investment	(276,351)	(138,176)	138,176	276,351
Net effect	**(1,328,127)**	**(664,064)**	**664,064**	**1,328,127**

This category comprises properties owned by subsidiary BVRJ - Bolsa de Valores do Rio de Janeiro for rent, which are carried at cost and depreciated at the rate of 4% per year. There were no additions or write-offs during the year and depreciation totaled R$1,518 (R$1,517 at December 31, 2013). Rental income for the year ended December 31, 2014 amounted to R$10,480 (R$8,362 at December 31, 2013):

8. Property and equipment

	Consolidated						
Changes	**Buildings**	**Furniture and fixtures**	**Computer devices and equipment**	**Facilities**	**Other**	**Construction in progress**	**Total**
Balances at December 31, 2012	119,380	17,784	100,598	54,998	33,426	34,807	360,993
Additions	1,449	2,498	13,648	2,694	3,641	105,114	129,044
Write-offs	(9)	(104)	(301)	(25)	(1,167)	-	(1,606)
Reallocations	(21)	-	-	-	21	-	-
Transfer to assets held for sale	(3,812)	-	-	-	-	-	(3,812)
Depreciation	(2,138)	(3,399)	(45,135)	(7,395)	(3,402)	-	(61,469)
Balances at December 31, 2013	**114,849**	**16,779**	**68,810**	**50,272**	**32,519**	**139,921**	**423,150**
Additions	**3,494**	**2,982**	**12,186**	**4,475**	**1,737**	**29,765**	**54,639**
Write-offs	**-**	**(443)**	**(62)**	**-**	**(864)**	**-**	**(1,369)**
Reclassification (Note 9)	**-**	**-**	**-**	**-**	**-**	**344**	**344**
Transfer (1)	**131,011**	**-**	**101**	**171**	**-**	**(131,283)**	**-**
Depreciation	**(3,356)**	**(3,532)**	**(36,297)**	**(7,458)**	**(3,363)**	**-**	**(54,006)**
Discontinued operations (Note 24)	**(1,348)**	**(22)**	**(50)**	**(7)**	**(145)**	**-**	**(1,572)**
Balances at December 31, 2014	**244,650**	**15,764**	**44,688**	**47,453**	**29,884**	**38,747**	**421,186**
At December 31, 2014							
Cost	**349,187**	**49,112**	**345,271**	**86,651**	**80,399**	**38,747**	**949,367**
Accumulated depreciation	**(104,537)**	**(33,348)**	**(300,583)**	**(39,198)**	**(50,515)**	**-**	**(528,181)**
Net book balance	**244,650**	**15,764**	**44,688**	**47,453**	**29,884**	**38,747**	**421,186**
At December 31, 2013							
Cost	217,018	49,904	338,424	82,024	80,991	139,921	908,282
Accumulated depreciation	(102,169)	(33,125)	(269,614)	(31,752)	(48,472)	-	(485,132)
Net book balance	114,849	16,779	68,810	50,272	32,519	139,921	423,150

	Consolidated						
Changes	**Buildings**	**Furniture and fixtures**	**Computer devices and equipment**	**Facilities**	**Other**	**Construction in progress**	**Total**
Balances at December 31, 2012	119,380	17,784	100,598	54,998	33,426	34,807	360,993
Additions	1,449	2,498	13,648	2,694	3,641	105,114	129,044
Write-offs	(9)	(104)	(301)	(25)	(1,167)	-	(1,606)
Reallocations	(21)	-	-	-	21	-	-
Transfer to assets held for sale	(3,812)	-	-	-	-	-	(3,812)
Depreciation	(2,138)	(3,399)	(45,135)	(7,395)	(3,402)	-	(61,469)
Balances at December 31, 2013	**114,849**	**16,779**	**68,810**	**50,272**	**32,519**	**139,921**	**423,150**
Additions	**3,494**	**2,982**	**12,186**	**4,475**	**1,737**	**29,765**	**54,639**
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Reclassification (Note 9)	**-**	**-**	**-**	**-**	**-**	**344**	**344**
Transfer (1)	**131,011**	**-**	**101**	**171**	**-**	**(131,283)**	**-**
Depreciation	**(3,356)**	**(3,532)**	**(36,297)**	**(7,458)**	**(3,363)**	**-**	**(54,006)**
Discontinued operations (Note 24)	**(1,348)**	**(22)**	**(50)**	**(7)**	**(145)**	**-**	**(1,572)**
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Accumulated depreciation	**(104,537)**	**(33,348)**	**(300,583)**	**(39,198)**	**(50,515)**	**-**	**(528,181)**
Net book balance	**244,650**	**15,764**	**44,688**	**47,453**	**29,884**	**38,747**	**421,186**
At December 31, 2013							
Cost	217,018	49,904	338,424	82,024	80,991	139,921	908,282
Accumulated depreciation	(102,169)	(33,125)	(269,614)	(31,752)	(48,472)	-	(485,132)
Net book balance	114,849	16,779	68,810	50,272	32,519	139,921	423,150

(1) Refers to transfer as a result of completion of the new data center building.

In the year, BM&FBOVESPA absorbed as part of the project development cost the amount of R$1,323 related to the depreciation of equipment used in developing these projects.

Properties with a carrying amount of approximately R$37,169 were pledged as collateral in lawsuits. BM&FBOVESPA is not allowed to assign these assets as collateral for other lawsuits or sell them.

Property and equipment are depreciated over their estimated useful lives. Annual rates of depreciation of property and equipment items at December 31, 2014 and 2013 are as follows:

Buildings	2.5%
Furniture and fixtures	10%
Computer devices and equipment	10% to 25%
Facilities	10%
Other	11% to 33%

9. Intangible assets

Goodwill

The goodwill of R$16,064,309 is attributed to expected future profitability, supported by an economic and financial valuation report of the investment.
The assumptions adopted for future cash flow projections of BM&FBOVESPA, in the BOVESPA segment (Cash Generating Unit (CGU)), were based on analysis of performance over the past years, growth analyses and expectations in the market and management's expectations and strategies.

BM&FBOVESPA uses external and independent experts to assist in the measurement of the asset's recoverable value (value in use). The report presented by such experts did not indicate the need to make negative adjustments to goodwill as of December 31, 2014.

Based on the growth expectations of the Bovespa segment, the projected cash flow considers revenues and expenses related to the segment's activities. The projection period of these cash flows covers the period from December 2014 to December 2024. The perpetuity was determined by extrapolating the 2024 cash flow at a growth rate corresponding to that expected for the nominal GDP in the long term, of 7.11% p.a.

Management understands that a ten-year projection period is based on the perception that the Brazilian capital market, in the variable income segment, should undergo a long period of growth until the long-term maturity is reached.

To determine the present value of the projected cash flow, an average pre-tax discount rate of 15.64% p.a. was used.

The three major variables impacting the value in use computed for the investment are the discount rates, net revenue growth rates and perpetuity growth rates. BM&FBOVESPA management carried out sensitivity analyses to determine the impacts of changes in such variables on the calculated value in use. An increase of 1.10 percentage points (110bps) in the pre-tax discount rate (from 15.64% to 16.74% p.a.) reduces the value in use by approximately 12%. Considering a reduction in the annual revenue growth rate of 15% in the period from 2015 to 2024, the value in use decreases by approximately 12%. As for the perpetuity growth rate, a reduction of 0.50 percentage point (50bps) (from 7.11% to 6.61% p.a.) reduces the value in use by approximately 4%. The changes in the discount and perpetuity rates, for purposes of the sensitivity analysis, were determined by reference to a standard deviation of the discount rates over the past five years for the former variable, and a standard deviation of the averages of series of 10 years of changes in the actual Brazilian GDP for the latter variable. The sensitivity scenarios in the average discount rate and revenue growth, revealed amounts around 2.5% lower than the investment's book cost as of December 31, 2014.

Software and projects

	BM&FBOVESPA and Consolidated			
Changes	**Cost of software development internally generated**	**Software internally generated – projects completed**	**Software**	**Total**
Balances at December 31, 2012	258,082	90,496	99,264	447,842
Additions	232,295	-	5,117	237,412
Reallocations/adjustments	(216,223)	216,223	-	-
Amortization	-	(34,264)	(42,974)	(77,238)
Balances at December 31, 2013	**274,154**	**272,455**	**61,407**	**608,016**
Additions	**146,020**	**-**	**31,003**	**177,023**
Write-offs	**(2,208)**	**-**	**-**	**(2,208)**
Reclassification (Note 8)	**(344)**	**-**	**-**	**(344)**
Transfer (1)	**(290,014)**	**290,014**	**-**	**-**
Amortization	**-**	**(48,218)**	**(25,362)**	**(73,580)**
Balances at December 31, 2014	**127,608**	**514,251**	**67,048**	**708,907**
At December 31, 2014				
Cost	**127,608**	**609,356**	**328,766**	**1,065,730**
Accumulated amortization	**-**	**(95,105)**	**(261,718)**	**(356,823)**
Net book balance	**127,608**	**514,251**	**67,048**	**708,907**
At December 31, 2013				
Cost	274,154	319,342	297,789	891,285
Accumulated amortization	-	(46,887)	(236,382)	(283,269)
Net book balance	274,154	272,455	61,407	608,016

(1) Refers substantially to transfer as a result of completion of the first phase of the Post-Trade Integration Project

The balance comprises costs for the acquisition of licenses and development of software and systems, with amortization rates from 6.67% to 33% per year, and expenditures for the implementation and development in progress of new systems and software.

In the year, BM&FBOVESPA absorbed as part of the project development cost, the amount of R$8,648 related to amortization of software used in developing these projects.

The ongoing projects refer mainly to the development of a new electronic trading platform for different kinds and classes of assets (concluded in 2013), the construction of a new business and IT architecture to support integration of the post-trade infrastructure and development of a new OTC Derivatives Recording Platform.

10. Earnings and rights on securities in custody

These comprise dividends and interest on equity received from listed companies, which will be transferred to the custody agents and by them to their clients, who are the owners of the listed companies' shares.

11. Provision for taxes and contributions payable

	BM&FBOVESPA	
Description	**2014**	**2013**
Taxes withheld at source	**7,134**	8,036
PIS and COFINS payable	**14,805**	14,732
ISS payable	**2,177**	1,987
Total	**24,116**	24,755

	Consolidated	
Description	**2014**	**2013**
Taxes withheld at source	**8,184**	9,139
PIS and COFINS payable	**15,036**	14,845
ISS payable	**2,193**	1,995
Total	**25,413**	25,979

12. Debt issued abroad

In July 2010, BM&FBOVESPA issued senior unsecured notes, with a total nominal value of US$612 million, priced at 99.635% of the nominal value, resulting in a net inflow of US$609 million (equivalent at that time to R$1,075,323). The interest rate is 5.50% per year, payable half-yearly in January and July, and the principal amount is due on July 16, 2020. The effective rate was 5.64% per year, which includes the discount and other funding related costs.

The updated balance of the loan at December 31, 2014 is R$1,666,491 (R$1,468,322 at December 31, 2013), which includes R$47,368 (R$42,129 at December 31, 2013) of accrued interest through the reporting date. The proceeds from the offering were used to purchase shares in the CME Group at that same date.

The notes have a partial or total early redemption clause, at the option of BM&FBOVESPA, for the greater of: (i) principal plus interest accrued up to the date and (ii) interest accrued up to the date plus the present value of the remaining cash flows, discounted at the rate applicable to U.S. Treasuries for the remaining term plus 0.40% per year (40 basis points per year).

These notes have been designated as a hedging instrument for the portion corresponding to US$612 million (notional) of the investment in CME Group Inc. (Note 7), in order to hedge the foreign exchange risk. Thus, BM&FBOVESPA adopted hedge accounting for net investment in accordance with the provisions of CPC 38/IAS 39.

Accordingly, BM&FBOVESPA prepared the formal designation of the hedges by documenting: (i) the objective of the hedge, (ii) type of hedge, (iii) the nature of the risk being hedged, (iv) the hedged item, (v) the hedging instrument, (vi) the correlation of the hedge and the hedged item (retrospective effectiveness test) and (vii) the prospective test.

The application of the effectiveness tests described in Note 3(d) (iv) did not indicate ineffectiveness during the period ended December 31, 2014.

The fair value of the debt, calculated using market data, is R$1,737.987 at December 31, 2014 (R$1,528,652 at December 31, 2013) (Source: Bloomberg).

13. Other liabilities

	BM&FBOVESPA	
	2014	**2013**
Current		
Payables to related parties (Note 16)	**10,249**	18,208
Purchase of treasury shares payable	**15,763**	7,672
Custody agents	**5,455**	5,939
Amounts to be transferred - Direct Treasury	**5,361**	3,390
Advance received from sale of property	**8,192**	8,192
Preferred shares payable	**1,838**	1,838
Other	**9,219**	8,163
Total	**56,077**	53,402
Noncurrent		
Payables to related parties (Note 16)	**48,238**	50,422
Total	**48,238**	50,422

Description	Consolidated 2014	2013
Payables to related parties (Note 16)	**10,249**	17,827
Purchase of treasury shares payable	**15,763**	7,672
Custody agents	**5,455**	5,939
Amounts to be transferred - Direct Treasury	**5,361**	3,390
Advance received from sale of property	**8,192**	8,192
Third-parties services	**1,038**	1,296
Preferred shares payable	**1,838**	1,838
Demand deposits (1)	**106,400**	111,067
Repurchase agreements (2)	**141,296**	227,309
FX transactions (Banco BM&FBOVESPA)	**4,252**	3,837
Other	**8,654**	8,211
Total	**308,498**	396,578
Noncurrent		
Payables to related parties (Note 16)	**48,238**	50,422
Total	**48,238**	50,422

(1) Refer to demand deposits held by corporations at Banco BM&FBOVESPA for the sole purpose of settlement of adjustments and positions of transactions carried out within BM&FBOVESPA and the Special System for Settlement and Custody (SELIC) pursuant to BACEN Circular Letter No. 3196 of July 21, 2005.

(2) Refer to open market funding made by Banco BM&FBOVESPA, comprising repurchase agreements maturing on January 2, 2015 (January 2, 2014 in 2013) and backed by Financial Treasury Bills (LFT) and National Treasury Bills (LTN).

14. Provisions for tax, civil and labor contingencies, contingent assets and liabilities and judicial deposits

a) Contingent assets

BM&FBOVESPA has no contingent assets recognized in its balance sheet and, at present, no lawsuits which are expected to give rise to future gains.

b) Provisions for tax, civil and labor contingencies

BM&FBOVESPA and its subsidiaries are defendants in a number of judicial and administrative proceedings involving labor, tax and civil matters arising in the ordinary course of business.

The judicial and administrative proceedings are classified by their probability of loss (probable, possible or remote), based on an evaluation by BM&FBOVESPA's legal area and outside legal advisors, using parameters such as previous legal decisions and the history of loss in similar cases.

The proceedings assessed as probable loss are mostly comprised as follows:

- Labor claims mostly relate to claims filed by former employees of BM&FBOVESPA and employees of outsourced service providers, on account of alleged noncompliance with labor legislation;
- Civil proceedings mainly relate to aspects of civil liability of BM&FBOVESPA and its subsidiaries;
- Tax cases mostly relate to PIS and COFINS levied on (i) BM&FBOVESPA revenues and (ii) receipt of interest on equity.

c) Legal obligations

These are almost entirely proceedings in which BM&FBOVESPA seeks exemption from additional social security tax on payroll and payments to self-employed professionals.

d) Changes in balances

Changes in provisions for contingencies and legal obligations are detailed as follows:

	BM&FBOVESPA Civil proceedings	Labor claims	Legal obligations	Tax proceedings	Total
Balances at December 31, 2012	**4,961**	**11,310**	**27,121**	**14,840**	**58,232**
Provisions	2,848	14,832	6,118	-	23,798
Provision expenditure	(57)	(2,507)	-	-	(2,564)
Reversal of provisions	(2)	(572)	-	-	(574)
Reassessment of risks	-	(280)	-	-	(280)
Monetary restatement	492	1,793	1,825	649	4,759
Balances at December 31, 2013	**8,242**	**24,576**	**35,064**	**15,489**	**83,371**
Provisions	8	5,630	4,548	-	10,186
Provision expenditure	(151)	(2,405)	(672)	-	(3,228)
Reversal of provisions	(139)	(1,143)	(52)	-	(1,334)
Reassessment of risks	-	738	-	-	738
Monetary restatement	831	3,279	3,196	622	7,928
Balances at December 31, 2014	**8,791**	**30,675**	**42,084**	**16,111**	**97,661**

	Consolidated				
	Civil proceedings	Labor claims	Legal obligations	Tax proceedings	Total
Balances at December 31, 2012	**9,196**	**12,050**	**27,121**	**14,840**	**63,207**
Provisions	2,848	14,836	6,118	-	23,802
Provision expenditure	(57)	(2,536)	-	-	(2,593)
Reversal of provisions	(2)	(774)	-	-	(776)
Reassessment of risks	-	(375)	-	-	(375)
Monetary restatement	982	1,871	1,825	649	5,327
Balances at December 31, 2013	**12,967**	**25,072**	**35,064**	**15,489**	**88,592**
Provisions	8	5,650	4,548	-	10,206
Provision expenditure	(151)	(2,478)	(672)	-	(3,301)
Reversal of provisions	(139)	(1,200)	(52)	-	(1,391)
Reassessment of risks	-	683	-	-	683
Monetary restatement	1,366	3,298	3,196	622	8,482
Discontinued operations (Note 24)	-	(282)	-	-	(282)
Balances at December 31, 2014	**14,051**	**30,743**	**42,084**	**16,111**	**102,989**

Considering the characteristics of the provisions, the timing of the cash disbursements, if any, cannot be predicted.

e) Possible losses

The proceedings assessed as possible loss are so classified as a result of uncertainties surrounding their outcome. They are legal or administrative proceedings for which case law has not yet been established or which still depend on check and analysis of the facts, or even involve specific aspects that reduce the likelihood of loss.

BM&FBOVESPA and its subsidiaries are parties to tax, civil and labor lawsuits involving risks of loss assessed by management as possible, based on the evaluation of their legal area and outside legal advisors, for which no provision has been recorded. These proceedings comprise mainly the following:

- Labor claims mostly relate to claims filed by former employees of BM&FBOVESPA and of outsourced service providers, on account of alleged noncompliance with labor legislation. The lawsuits assessed as possible losses at December 31, 2014 total R$41,822 in BM&FBOVESPA (R$34,688 at December 31, 2013) and R$43,328 on a consolidated basis (R$34,688 at December 31, 2013);
- Civil proceedings mainly relate to aspects of civil liability for losses and damages. The total amount involved in the civil lawsuits assessed as possible losses at December 31, 2014 is R$134,264 in BM&FBOVESPA (R$81,315 at December 31, 2012) and R$354,533 on a consolidated basis (R$81,911 at December 31, 2013);

The Major part of the amount at December 31, 2014 and December 31, 2013 is almost entirely related to three legal proceedings. The first one refers to the possibility of BM&FBOVESPA being required to deliver its shares (surviving company of the merger with BM&F S.A.), corresponding to the shares resulting from the conversion of the membership certificates of a commodities broker in the former BM&F, or indemnify the corresponding amount, if the cancellation of the certificates in the former BM&F is found to be illegal, as alleged by a commodities broker in bankruptcy. The second administrative proceeding arises from the possibility of BVRJ being required to indemnify an investor for alleged omission in an audit report, brought before the Special Guarantee Fund Commission of BVRJ, of shares that allegedly resulted from transactions carried out by the investor through a broker, which were not included in the custody account. The third proceeding involves the possibility of BM&FBOVESPA being sentenced, jointly with BVRJ, to indemnify the broker, which, for not meeting the requirements, was not authorized to exchange the membership certificates of BVRJ which it alleged to own, with membership certificates of the then São Paulo Stock Exchange, which, in turn, would entitle to issue of BM&FBOVESPA shares.

- The total amount involved in the tax proceedings classified as possible loss at BM&FBOVESPA and on a consolidated basis is R$627,470 (R$577,004 in 2013). The main tax proceedings of BM&FBOVESPA and its subsidiaries refer to the following matters:

  (i) Classification of the former BM&F and Bovespa, in the period prior to the demutualization, as taxpayers of the Contribution Tax on Gross Revenue for Social Security Financing ("COFINS"), which is the subject matter of two declaratory judgment actions pleading the declaration that the plaintiffs have no tax obligations owed to the federal tax authorities and seeking non-levy of COFINS on revenue arising from the exercise of the activities for which they were established, the revenue of which does not fall under the concept of billing. The amount involved in the aforementioned proceedings as of December 31, 2014 is R$56,134 (R$53,091 at December 31, 2013).

  (ii) Collection of Withholding Income Tax (IRRF) relating to the calendar year 2008, since the Brazilian IRS understands that BM&FBOVESPA would be responsible for withholding and paying IRRF on the supposed capital gains earned by non-resident investors in Bovespa Holding S.A., due to the merger of shares of Bovespa Holding S.A. into BM&FBOVESPA. The amount involved in this administrative proceeding at December 31, 2014 is R$180,117 (R$165,225 at December 31, 2013).

  (iii) as the successor of Bovespa Holding S.A., the deductibility, for purposes of calculating income and social contribution taxes, of expenses paid by Bovespa Holding S.A. in connection with the commission to intermediary institutions responsible for the secondary public offering of its shares held in 2007, and the liability for IRRF on part of the payments made to intermediaries who participated in said public offering. The amount involved in this administrative proceeding at December 31, 2013 is R$126,775 assessed as follows: (i) R$118,015 as possible loss; and (ii) R$8,739, relating to one-time fine for the non-withholding of income tax at source, as remote loss. In August 2014, BM&FBOVESPA decided to use the special payment terms offered by the Tax Recovery Program (REFIS) for payment of the IRPJ and CSLL debts subject matter of this proceeding, maintaining, however, the discussion on the IRRF one-time fine. The impact of the discounts on the fines and interest of the proceeding, considering the option for cash payment of the updated debt, resulted in reduction of the related amount from R$122,978 to R$69,237 (amounts restated to July 2014), of which R$51,132 refers to principal and R$18,105 to interest. As only part of the amount involved in the case was included in REFIS, the administrative proceeding at December 31, 2014 amounts to R$9,538 (R$8,739 at December 31, 2013) relating to one-time fine for the non-withholding of income tax at source, assessed as remote loss.

(iv) Alleged levy of social security tax on options granted under the Stock Option Plan of BM&F S.A., assumed by BM&FBOVESPA and exercisable by the beneficiaries of the Plan, in 2007 and 2008, as well as one-time fine due to the non-withholding at source of income tax allegedly due on those options. The inquiries of the Brazilian IRS are based on the understanding that the stock options were granted to employees in the nature of salary as they represent compensation for services rendered. The amounts involved in these administrative proceedings at December 31, 2013 are: (i) R$94,828 (R$86,844 at December 31, 2013), relating to social security taxes allegedly due, assessed as possible loss, and (ii) R$50,504 (R$46,252 at December 31, 2013), relating to one-time fine for the non-withholding of income tax, assessed as remote loss.

(v) Alleged levy of social security taxes on options granted under the Stock Option Plan of BM&F S.A., assumed by BM&FBOVESPA, and of BM&FBOVESPA itself, exercised by the beneficiaries of the Plan in 2009 and 2010, as well as one-time fine due to the non-withholding at source of income tax allegedly due on those options. The inquiries of the Brazilian IRS are based on the understanding that the stock options were granted to employees in the nature of salary as they represent compensation for services rendered. The amounts involved in these administrative proceedings at December 31, 2014 are: (i) R$123,486, relating to social security taxes allegedly due, assessed as possible loss, and (ii) R$49,490, relating to one-time fine for the non-withholding of income tax, assessed as remote loss.

(vi) Alleged differences in payment of IRPJ and CSLL stemming from questioning of the limits of deductibility of interest on equity paid by BM&FBOVESPA to its shareholders in 2008. The total amount involved in this administrative proceeding is R$130,674 (R$119,672 at December 31, 2013), including late-payment interest and automatic fine.

f) Remote losses

BM&FBOVESPA, as successor of the former BOVESPA, and subsidiary BVRJ figure as defendants in a claim for property damages and pain and suffering filed by Naji Robert Nahas, Selecta Participações e Serviços SC Ltda., and Cobrasol - Companhia Brasileira de Óleos e Derivados, on the grounds of alleged losses in the stock market sustained in June 1989. The amount attributed to the cause by the plaintiffs is R$10 billion. In relation to property damages and pain and suffering claimed, the plaintiffs plead that BM&FBOVESPA and BVRJ be sentenced in proportion to their responsibilities. A decision was handed down whereby the claims by the plaintiffs were considered completely unfounded. This decision was confirmed by the High Court of Justice of Rio de Janeiro State by means of a decision published on December 18, 2009. The plaintiffs filed special and extraordinary appeals, both of which were denied. Interlocutory appeals were filed with the High Court of Justice and with the Federal Supreme Court of Brazil, and the appeal was granted for appreciation by the High Court of Justice. The appeal is currently pending judgment. BM&FBOVESPA believes that the likelihood of loss in this lawsuit is remote. The special appeal was partially disclosed and was unanimously denied in connection with this portion. The proceeding is currently awaiting appeals against this decision. In BM&FBOVESPA's opinion, the likelihood of loss is remote.

On November 29, 2010, BM&FBOVESPA received an assessment notice from the Brazilian IRS demanding the payment of income tax (R$301,686 of principal, plus fines and interest) and social contribution tax (R$108,525 of principal, plus fines and interest) that, in the opinion of the Brazilian IRS, BM&FBOVESPA underpaid in the years 2008 and 2009 with respect to the amortization for tax purposes of the goodwill generated upon the merger of Bovespa Holding S.A., approved at the Special General Meeting held on May 8, 2008. In October 2011, the Brazilian IRS Judgment Office in São Paulo issued a decision on the challenge presented by BM&FBOVESPA, upholding, in substance, the assessment notice. BM&FBOVESPA filed an appeal with the Board of Tax Appeals in November 2011, which was denied in December 2013, thus upholding the referred to assessment notice. Currently, BM&FBOVESPA awaits judgment of the Motions for Clarification filed at the Administrative Board of Tax Appeals (CARF) at May 15, 2014. BM&FBOVESPA believes that the risk of loss associated with this tax matter is remote and will continue to amortize the goodwill for tax purposes as provided for by prevailing legislation.

BM&FBOVESPA, as the successor of Bolsa de Mercadorias e Futuros - BM&F ("BM&F") and as disclosed in its Form of Reference (item 4.3), figures as a defendant in civil public actions and class actions filed in order to investigate the practice of possible acts of administrative impropriety, and to receive compensation for alleged damages to the federal treasury as a result of transactions conducted by the Central Bank of Brazil in January 1999 in the US dollar futures market run by the former BM&F. On March 15, 2012, those proceedings were deemed valid and convicted most of the defendants, among them, BM&F. The total amount arising from this unfavorable decision is R$7,005 million, from which the amount of R$5,431 million may deducted, according to one of the decisions, referring to gains that the Central Bank of Brazil obtained as a result of not using the international reserves. BM&FBOVESPA was also ordered to pay a civil penalty in the amount of R$1,418 million. The figures were measured in January 1999 and should be adjusted for inflation, plus interest and burden of defeat. BM&FBOVESPA believes that these actions are fully groundless and will not recognize in its financial statements any provision for such lawsuits as the risk of loss is remote. The parties filed appeals which have caused the execution of the trial court judgment to be suspended until the Federal Court of Appeals of the 1st Chapter renders a decision on those appeals.

g) Judicial deposits

	BM&FBOVESPA		Consolidated	
Description	**2014**	**2013**	**2014**	**2013**
Legal obligations	**40,133**	33,645	**40,133**	33,645
Tax proceedings	**69,022**	64,922	**69,286**	65,165
Civil proceedings	**5,236**	4,948	**5,236**	4,948
Labor claims	**5,479**	4,750	**5,630**	4,907
Total	**119,870**	108,265	**120,285**	108,665

Out of the total judicial deposits, the following are highlighted: (i) R$50,431 (R$47,315 at December 31, 2013) relates to disputes over the classification of the exchanges as subject to payment of COFINS, which are assessed as possible loss by BM&FBOVESPA, as described in item "e" above; and (ii) R$12,212 (R$11,425 at December 31, 2013) refers to cases regarding PIS and COFINS on interest on equity received. Of the total deposits relating to legal obligations, R$39,693 (R$33,208 at December 31, 2013) relates to the processes in which BM&FBOVESPA claims non-levy of additional social security contribution on payroll and payments to self-employed professionals, and challenges the legality of FAP (an index applied to calculate the occupational accident insurance owed by employers).

Due to the existence of judicial deposits related to tax proceedings classified as possible losses, the total tax contingencies and legal obligations are less than the total deposits related to tax claims.

15. Equity

a) Capital

The capital of BM&FBOVESPA is R$2,540,239, represented by 1,900,000,000 registered common shares (1,980,000,000 at December 31, 2013) with voting rights and no par value, of which 1,808,178,556 are outstanding at December 31, 2014 (1,893,582,856 at December 31, 2013).

At the meeting held on February 13, 2014, the Board of Directors approved the cancellation of 80,000,000 shares (Note 15 (b)) issued by BM&FBOVESPA held in treasury, which were acquired under the share buyback program. At the General Shareholders' Meeting held on May 26, 2014, the shareholders resolved on amendment of the Articles of Incorporation in order to adapt it to the new number of shares representing the capital.

BM&FBOVESPA is authorized to increase its capital up to the limit of 2,500,000,000 common shares, through a resolution of the Board of Directors, without any amendment to its Articles of Incorporation.

b) Treasury shares

Share buyback plan

At the meeting held on June 25, 2013, the Board of Directors approved a new Share Buyback Program, starting on July 1, 2013 and ending on June 30, 2014. The limit of shares to be repurchased by BM&FBOVESPA is 60,000,000 common shares, representing 3.13% of the total shares outstanding. BM&FBOVESPA repurchased the 60,000,000 shares projected for the period between July 1, 2013 and January 29, 2014, of which 23,050,000 in 2013 and 36,950,000 in 2014.

At the meeting held on February 13, 2014, the Board of Directors approved the Company's Share Buyback Program, starting on February 14, 2014 and ending on December 31, 2014. The limit of shares to be repurchased by BM&FBOVESPA is 100,000,000 common shares, representing 5.4% of the total shares outstanding. In 2014, BM&FBOVESPA purchased 53,011,600 shares, representing 53% of the total number projected in the share buyback program approved in February 2014.

At the meeting held on December 11, 2014, the Board of Directors approved the Company's new Share Buyback Program, starting on January 1, 2015 and ending on December 31, 2015. The limit of shares to be repurchased by BM&FBOVESPA is 60,000,000 common shares, representing 3.3% of the total shares outstanding.

The shares purchased under the Share Buyback Program may be canceled or used in connection with the exercise of the stock options by the beneficiaries of the Stock Option Plan of BM&FBOVESPA.

The changes in treasury shares for the year are as follows:

	Number	Amount
Balances at December 31, 2012	48,427,505	484,620
Purchase of shares - Share buyback program	43,912,700	531,215
Shares sold - stock options (Note 18)	(5,923,061)	(60,809)
Balances at December 31, 2013	**86,417,144**	**955,026**
Purchase of shares - Share buyback program	**89,961,600**	**937,600**
Shares cancelled (Note 15(a))	**(80,000,000)**	**(859,793)**
Shares sold - stock options (Note 18)	**(4,557,300)**	**(49,559)**
Balances at December 31, 2014	**91,821,444**	**983,274**
Average cost of treasury shares (R$ per share)		10.709
Market value of treasury shares		904,441

c) Revaluation reserves

Revaluation reserves were established as a result of the revaluation of works of art in BM&FBOVESPA and of the properties of the subsidiary BVRJ in 2007, based on independent experts' appraisal reports.

d) Capital reserve
This refers substantially to amounts originated in the merger of Bovespa Holding shares in 2008, and other corporate events allowed by the Brazilian Corporation Law, such as (i) capital increase through merger, (ii) redemption, repayment or purchase of shares, and (iii) events associated with the stock option plan.

e) Income reserve

(i) *Legal reserve*

Legal reserve is annually set up with allocation of 5% of net income for the year, capped at 20% of capital. The legal reserve aims at ensuring integrity of capital and may only be used to absorb losses and increase capital. The legal reserve is not required to be set up considering that its amount plus the capital reserves exceed 30% of the Company capital.

(ii) *Statutory reserves*

Represent funds and safeguard mechanisms required for the activities of BM&FBOVESPA, in order to ensure the proper settlement and reimbursement of losses arising from the intermediation of transactions carried out in its trading sessions and/or registered in any of its trading, registration, clearing and settlement systems, and from custody services.

Pursuant to the Articles of Incorporation, the Board of Directors may, when the amount of the statutory reserve is sufficient to meet the purposes for which it was originally established, propose that part of the reserve be distributed to the shareholders of the Company.

f) Other comprehensive income

The purpose is to record the effects of (i) exchange variation of the investments abroad, (ii) hedge accounting on net foreign investment (Note 12), (iii) cash flow hedge (Note 4), (iv) comprehensive income of associate and subsidiaries and (v) actuarial gains/losses on post-retirement health care benefits.

g) Dividends and interest on equity

As provided for in the Articles of Incorporation, shareholders are entitled mandatory minimum dividends of 25% of net income for the year, adjusted under Brazilian Corporation Law.

	2014	2013
Net income for the year	**977,053**	1,081,516
Dividends	**781,642**	815,213
Interest on Equity (IOE)	**-**	50,000
Total approved for the year	**781,642**	865,213

The dividends and interest on equity approved in relation to P&L for the year are as follows:

Description	Date approved	Date of payment	Gross value per share (R$)	Total gross amount (R$)
Dividends	05/08/2014	05/30/2014	0.111538	204,914
Dividends	08/07/2014	08/29/2014	0.109381	200,061
Dividends	11/13/2014	11/28/2014	0.104814	190,726
Dividends	10/02/2014	04/28/2014	0,103163	185,941
Total proposed/approved for 2014				**781,642**
Dividends	05/09/2013	06/07/2013	0.084638	163,580
Interest on equity	05/09/2013	06/07/2013	0.025870	50,000
Dividends	08/08/2013	09/30/2013	0.146943	280,670
Dividends	11/07/2013	11/27/2013	0.118341	225,260
Dividends	02/13/2014	06/27/2014	0.079604	145,703
Total proposed/approved for 2013				**865,213**

(1)Proposed payment of additional dividends (above the mandatory minimum dividends) referring to income for 2014, to be approved at the General Shareholders' Meeting.

The management of BM&FBOVESPA did not set up an income reserve for the difference between the amount recognized as equity pickup and the amount received as dividends arising from the interest held in the associate CME Group (Note 7).

h) Earnings per share

Basic	Consolidated	
	2014	**2013**
Numerator		
Net income from continued operations	**984,745**	1,081,904
Net income from discontinued operations	**(7,692)**	(388)
Net income available to shareholders of BM&FBOVESPA	**977,053**	1,081,516
Denominator		
Weighted average number of outstanding shares	**1,837,383,111**	1,918,813,109
Basic earnings per share (in R$)	**0.531763**	0.563638

Diluted	Consolidated	
	2014	**2013**
Numerator		
Net income from continued operations	**984,745**	1,081,904
Net income from discontinued operations	**(7,692)**	(388)
Net income available to shareholders of BM&FBOVESPA	**977,053**	1,081,516
Denominator		
Weighted average number of outstanding shares adjusted by effects of stock option plans	**1,841,030,654**	1,923,866,237
Diluted earnings per share (in R$)	**0.530710**	0.562158

16. Transactions with related parties

a) Balances and transactions with related parties

Description	Assets / (liabilities)		Income / (expenses)	
	2014	**2013**	**2014**	**2013**
Banco BM&FBOVESPA de Serviços de Liquidação e Custódia S.A. (1)				
Accounts receivable	**909**	673	**-**	-
Interest on equity receivable	**2,508**	2,338	**-**	-
Recovery of expenses	**-**	-	**10,407**	8,314
Income from fees	**-**	-	**18**	-
Interest on equity	**-**	-	**2,950**	2,750
Bolsa Brasileira de Mercadorias (Note 24)				
Accounts receivable	**2**	9	**-**	-
Accounts payable	**(99)**	(100)	**-**	-
Supplier	**(2,464)**	-	**-**	-
Minimum contribution on membership certificates (fees)	**-**	-	**(1,193)**	(1,159)
Data processing	**-**	-	**(2,464)**	-
Property rental	**-**	-	**25**	23
Recovery of expenses	**-**	-	**78**	88
BM&F (USA) Inc. (1)				
Accounts payable	**-**	(117)	**-**	-
Sundry expenses	**-**	-	**(1,026)**	(2,012)
BM&FBOVESPA (UK) Ltd. (1)				
Accounts payable	**-**	(164)	**-**	-
Sundry expenses	**-**	-	**(1,424)**	(1,394)
Bolsa de Valores do Rio de Janeiro (1)				
Accounts receivable	**1**	2	**-**	-
Recovery of expenses	**-**	-	**22**	25
CME Group				
Dividends receivable	**61,635**	71,878	**-**	-
Accounts payable	**(48,245)**	(60,178)	**-**	-
Financial expenses	**-**	-	**(898)**	(437)
Expenses with fees	**-**	-	**(2,111)**	-
Income from fees	**-**	-	**50**	-
BM&FBOVESPA Supervisão de Mercados				
Accounts receivable	**245**	276	**-**	-
Accounts payable	**(9,904)**	(8,061)	**-**	-
Donation / Contribution	**-**	-	**(15,466)**	(561)
Recovery of expenses	**-**	-	**3,035**	3,171
Associação BM&F				
Accounts receivable	**4**	2	**-**	-
Accounts payable	**(239)**	-	**-**	-
Recovery of expenses	**-**	-	**186**	496
Expenses with courses	**-**	-	**(1,458)**	-
Donation	**-**	-	**(239)**	-
Other related parties				
Accounts receivable	**10**	7	**-**	-
Accounts payable	**-**	(10)	**-**	-
Donation	**-**	-	**(63)**	-
Recovery of expenses	**-**	-	**125**	91
Sundry expenses	**-**	-	**(163)**	(100)

(1) Subsidiaries included in the consolidation process.

BM&FBOVESPA follows a policy on transactions with related parties, approved by the Board of Directors, which aims to establish rules to ensure that all decisions involving related-party transactions and other situations of potential conflict of interest are taken to the interests of BM&FBOVESPA and its shareholders.

The main recurring transactions with related parties are described below and were carried out under the following conditions:

- The amounts owed by Banco BM&FBOVESPA to BM&FBOVESPA refer to the Company's funds used by Banco BM&FBOVESPA in performing its activities under a formal agreement signed by the parties.
- Other liabilities to CME Group refer to the remaining portion for the acquisition of the perpetual license of modules related to the multi-asset class electronic trading platform, PUMA Trading System, which was developed along with CME Group.
- BSM has entered into an agreement with BM&FBOVESPA for the transfer and recovery of costs which establishes the reimbursement to BM&FBOVESPA for expenses incurred for resources and infrastructure made available to BSM to assist in the performance of its supervision activities. Such costs are determined on a monthly basis using the methodology specified in the agreement signed by the parties and also include the activities related to the Mecanismo de Ressarcimento de Prejuízos (Loss Recovery Mechanism) as this mechanism is administered by BSM.
- BM & FBOVESPA make contributions in order to supplement financing for the activities of BSM and regular transfers of fines for financial settlement failure and delivery of assets held for BSM as set out in Circular Letter 044/2013 of BM & FBOVESPA.
- BM&FBOVESPA makes transfers in order to supplement financing for the activities of BSM and regular transfers of fines for failure to settle debts and deliver assets by BSM, as set out in Circular Letter 044/2013 of BM&FBOVESPA.
- BM&FBOVESPA pays monthly fees to BM&F (USA) Inc. and BM&FBOVESPA (UK) Ltd. to represent it abroad by liaising with other exchanges and regulators and assisting in bringing new clients to the Brazilian capital market.
- Associação BM&F, Associação Bovespa, Instituto BM&FBOVESPA and Associação Profissionalizante BM&FBOVESPA periodically reimburse BM&FBOVESPA for expenses associated with the resources and infrastructure provided by BM&FBOVESPA to assist them in performing their activities.
- BM&FBOVESPA pays the cost of courses taken by its employees directed to the financial and capital markets offered by Instituto Educacional BM&FBOVESPA, administered by Associação BM&F.
- BM&FBOVESPA used to pay a minimum monthly fee to Bolsa Brasileira de Mercadorias. The payment that BM&FBOVESPA made to Bolsa Brasileira de Mercadorias was established by the Articles of Incorporation of Bolsa Brasileira de Mercadorias, pursuant to which the member (as was the case of BM&FBOVESPA) must regularly pay fees for membership certificates. Bolsa Brasileira de Mercadorias periodically reimbursed BM&FBOVESPA for expenses associated with the resources and infrastructure provided by BM&FBOVESPA to assist in carrying out its activities. BM&FBOVESPA recognized provision related to technology services for development of the markets administered by the Bolsa Brasileira de Mercadorias in the amount of R$2,464, as per commitment assumed in April 2013 and already disclosed in the previous year.

Discontinued operation

- BM&FBOVESPA paid a minimum monthly fee to Bolsa Brasileira de Mercadorias. The payment that BM&FBOVESPA made to Bolsa Brasileira de Mercadorias was established by the Articles of Incorporation of Bolsa Brasileira de Mercadorias, pursuant to which the member (as was the case of BM&FBOVESPA) must regularly pay fees for membership certificates. Bolsa Brasileira de Mercadorias periodically reimbursed BM&FBOVESPA for expenses associated with the resources and infrastructure provided by BM&FBOVESPA to assist in carrying out its activities. BM&FBOVESPA recognized provision related to technology services for development of the markets administered by the Brazilian Commodities Exchange in the amount of R$2,464, as per commitment assumed in April 2013 and already disclosed in the previous year.

b) Key management personnel compensation

Key management personnel include Members of the Board of Directors, Executive Officers, Internal Audit Officer, Corporate Risk Officer, Officer of Banco BM&FBOVESPA and Human Resources Officer.

	2014	2013
Management fees		
Short-term benefits (salaries, profit sharing, etc.)	**29,881**	28,943
Severance pay	**-**	787
Share-based compensation (1)	**13,306**	12,931

(1) Represents the expense calculated for the year in relation to the stock options granted to key management personnel, which was recognized in accordance with the criteria described in Note 18.

17. Structure of guarantees

BM&FBOVESPA operating as a central counterparty (CCP) manages four clearinghouses considered systemically important by the Central Bank of Brazil: BM&FBOVESPA (former Derivatives Clearinghouse), Foreign Exchange and Securities Clearinghouses and the Equity and Corporate Debt Clearinghouse (CBLC).

In its Circular Letter 046/2014, dated August 07, 2014, the Central Bank of Brazil (BCB) granted BM&FBOVESPA authorization to operate its new clearinghouse, i.e. BM&FBOVESPA Clearinghouse. The new clearinghouse is part of the post-trade integration (IPN) project, an initiative adopted by BM&FBOVESPA to start an integrated clearinghouse that will consolidate the activities performed by the four clearinghouses.

The activities of BM&FBOVESPA Clearinghouse will be limited, in this first phase of the project, to the financial derivative and commodity market and gold market, including not only both exchange-traded but also OTC contracts.

The activities carried out by the clearinghouses are governed by Law No. 10214/01, which authorizes the multilateral clearing of obligations, establishes the central counterparty role of the systemically important clearinghouses and permits the utilization of the collateral obtained from defaulting participants to settle their obligations in the clearinghouse environment, including in cases of civil insolvency, agreements with creditors, intervention, bankruptcy and out-of-court liquidation.

Through its clearinghouses, BM&FBOVESPA acts as a central counterparty in the derivatives market (futures, forward, options and swaps), spot foreign exchange market, government securities market (spot, forwards, repurchase operations, futures and lending of securities), variable income (spot, forward, option, futures and lending of securities) and private debt securities (spot and lending of securities). In other words, by assuming the role of a central counterparty, BM&FBOVESPA becomes responsible for the proper settlement of trades carried out and/or registered in its systems, as established in the applicable regulations.

The performance of BM&FBOVESPA as a central counterparty exposes it to the credit risk of the participants that utilize its settlement systems. If a participant fails to make the payments due, or to deliver the assets or commodities due, it will be incumbent upon BM&FBOVESPA to resort to its safeguard mechanisms, in order to ensure the proper settlement of the transactions in the established time frame and manner. In the event of a failure or insufficiency of the safeguard mechanisms of its Clearinghouses, BM&FBOVESPA might have to use its own equity, as a last resort, to ensure the proper settlement of trades.

The clearinghouses are not directly exposed to market risk, as they do not hold net long or net short positions in the various contracts and assets traded. However, an increase in price volatility can affect the magnitude of amounts to be settled by the various market participants, and can also heighten the probability of default by these participants. Furthermore, as already emphasized, the clearinghouses are responsible for the settlement of the trades of a defaulting participant, which could result in losses for BM&FBOVESPA if the amounts due surpass the amount of collateral available. Accordingly, despite the fact that there is no direct exposure to market risk, this risk can impact and increase the credit risks assumed.

The safeguard structures of the clearinghouses are based largely on loss-sharing model called defaulter pays, in which the amount of collateral deposited by each participant should be able to absorb, with a high degree of confidence, the potential losses associated with its default. Consequently, the amount required as collateral for participants is the most important element in our management structure of the potential market risks arising from our role as a central counterparty.

For most contracts and operations with assets, the required value as collateral is sized to cover the market risk of the business, i.e. its price volatility during the expected time frame for settlement of the positions of a defaulting participant. This timeframe can vary depending on the nature of contracts and assets traded.

The models used for calculating the margin requirements are based, in general, on the concept of stress testing, in other words, a methodology that attempts to measure market risk into account not only recent historical volatility of prices, but also the possibility of the occurrence of unexpected events that modify the historical patterns of behavior of prices and the market in general.

On March 5, 2014, according to BM&FBOVESPA Circular Letter No. 003/2014, new versions of BM&FBOVESPA Clearinghouses rules became effective, aiming towards convergence with international capital requirement rules under Basel III Accord by financial institutions subject to credit risk of clearinghouses. These changes were approved by BACEN in January 2014.

The operations in the BM&FBOVESPA markets are secured by margin deposits in cash, government and corporate securities, letters of guarantee and shares, among others. The guarantees received in cash, in the amount of R$1,321,935 (2013 - R$2,072,989), are recorded as a liability under “Collateral for transactions” and other collaterals, in the amount of R$240,757,242 (2013 - R$212,316,376) are recorded in memorandum accounts. At December 31, 2014 collaterals amounted to R$242,079,177 (2013 - R$214,389,365), as follows:

a) Collaterals deposited by participants

	2014			
	BM&FBOVESPA Clearinghouse	Equity and Corporate Debt Clearinghouse (CBLC)	Foreign Exchange Clearinghouse	Asset Clearinghouse
Government securities	**156,814,586**	**34,636,888**	**4,470,253**	**505,583**
Letters of guarantee	**2,542,590**	**572,310**	**-**	**-**
Shares	**4,696,902**	**33,007,191**	**-**	**-**
International securities (1)	**-**	**1,800,371**	**-**	**-**
Bank Deposit Certificates (CDBs)	**1,177,107**	**245,456**	**-**	**-**
Cash amounts deposited	**815,294**	**121,288**	**385,149**	**-**
Gold	**31,264**	**-**	**-**	**-**
Other	**136,110**	**120,835**	**-**	**-**
Total	**166,213,853**	**70,504,339**	**4,855,402**	**505,583**

	2013			
	BM&FBOVESPA Clearinghouse	Equity and Corporate Debt Clearinghouse (CBLC)	Foreign Exchange Clearinghouse	Asset Clearinghouse
Government securities	118,581,479	34,423,146	4,782,607	757,487
Letters of guarantee	2,796,183	1,055,421	-	-
Shares	4,019,309	42,654,968	-	-
International securities (1)	-	1,616,091	-	-
Bank Deposit Certificates (CDBs)	1,185,727	239,198	-	-
Cash amounts deposited	701,705	212,527	1,154,906	-
Gold	56,182	-	-	-
Other	66,000	86,429	-	-
Total	127,406,585	80,287,780	5,937,513	757,487

(1) American and German government securities as well as ADRs (American Depositary Receipts).

b) Other safeguard mechanisms

i) BM&FBOVESPA Clearinghouse

- Joint liability for paying the broker and clearing member that acted as intermediaries, as well as collaterals deposited by such participants.
- Operating Performance Fund (FDO), composed of collaterals transferred by BM&FBOVESPA clearing members and by full trading participants, intended to guarantee the transactions. By the close of business on August 15, 2014, the resources that represent contributions by the clearing member to the Operating Performance Fund were automatically allocated as Minimum Non-operating Collateral at the opening of the BM&FBOVESPA Clearinghouse on August 18, 2014. Minimum Non-operating Collateral is broken down as follows:

Breakdown	**2014**	**2013**
Government securities	**725,794**	852,276
Letters of guarantee	**128,500**	141,000
Bank Deposit Certificates (CDBs)	**5,300**	5,720
Shares	**-**	10,765
Cash amounts deposited	**4**	224
Amounts deposited	**859,598**	1,009,985
Amounts required of participants	**672,000**	808,500
Amount in excess of the minimum required	**187,598**	201,485

- Fundo de Operações do Mercado Agropecuário, in the amount of R$50,000 at December 31, 2014 and December 31, 2013, comprising funds of BM&FBOVESPA with a view to ensuring the proper settlement of transactions involving agricultural commodity contracts.
- Fundo Especial dos Membros de Compensação, in the amount of R$40,000 until December 31, 2013, comprising funds of BM&FBOVESPA with a view to ensuring the proper settlement of transactions, regardless of the type of contract. This fund was terminated on March 5, 2014.

- Settlement Fund (FLO), comprising collaterals transferred by clearing members and BM&FBOVESPA funds. By the close of business on August 15, 2014, the resources that represent contributions by the clearing member to the Settlement Fund were automatically allocated to the Settlement Fund at the opening of the BM&FBOVESPA Clearinghouse on August 18, 2014. The Settlement Fund is broken down as follows:

Breakdown	2014	2013
Government securities	**776,632**	322,274
Letters of guarantee	**34,000**	30,750
Shares	**-**	3,075
Amounts deposited	**810,632**	356,099
Amounts required of participants	**344,000**	252,000
Amount required of BM&FBOVESPA (1)	**344,000**	-
Amount in excess of the minimum required	**122,632**	104,099

(1) Comprising government securities.

- *Patrimônio Especial* (Special equity), in the amount of R$50,752 (2013 - R$45,729), in compliance with the provisions of article 5 of Law No. 10214, of March 27, 2001, and article 19 of BACEN Circular No. 3057, of August 31, 2001.

ii) *Equity and Corporate Debt Clearinghouse (CBLC)*

- Joint liability for paying the broker and clearing member that acted as intermediaries, as well as collaterals deposited by such participants.

- Settlement Fund, composed of collaterals transferred by clearing members and BM&FBOVESPA funds, intended to guarantee the proper settlement of transactions.

Breakdown	2014	2013
Government securities	**665,380**	393,283
Cash amounts deposited	**-**	2,627
Amounts deposited	**665,380**	395,910
Amounts required of participants	**280,400**	272,400
Amount required of BM&FBOVESPA (1)	**280,400**	-
Amount in excess of the minimum required	**104,580**	123,510

(1) Comprising government securities.

- *Patrimônio Especial* (Special equity), in the amount of R$54,256 (2013 - R$48,874), in compliance with the provisions of article 5 of Law No. 10214 of March 27, 2001.

iii. *Foreign Exchange Clearinghouse*

- Fundo de Liquidação de Operações de Câmbio, formerly Fundo de Participação, composed of collaterals transferred by Foreign Exchange Clearinghouse participants and BM&FBOVESPA funds, intended to guarantee the proper settlement of transactions.

Breakdown	2014	2013
Government securities	**306,762**	214,809
Cash amounts deposited	**200**	1,000
Amounts deposited	**306,962**	215,809
Amounts required of participants	**104,650**	111,000
Amount required of BM&FBOVESPA (1)	**104,650**	-
Amount in excess of the minimum required	**97,662**	104,809

(1) Comprising government securities.

- Fundo Operacional da Clearing de Câmbio, in the amount of R$50,000 up to December 31, 2013, comprising funds of BM&FBOVESPA intended to cover losses arising from operational or administrative failures. This fund ceased to exist on March 5, 2014.
- Patrimônio Especial (Special equity), in the amount of R$50,838 (2013 - R$45,799), in compliance with the provisions of article 5 of Law No. 10214, of March 27, 2001, and article 19 of BACEN Circular No. 3057, of August 31, 2001.

iv. *Assets Clearinghouse*

- Fundo Operacional da Clearing de Ativos, in the amount of R$40,000 at December 31, 2014 and December 31, 2013, intended to hold funds from BM&FBOVESPA to cover losses arising from participants' operational or administrative failures.
- Patrimônio Especial (Special equity), in the amount of R$35,737 (2013 - R$32,200), in compliance with the provisions of article 5 of Law No. 10214, of March 27, 2001, and article 19 of BACEN Circular No. 3057, of August 31, 2001.

c) Guarantee funds

Former subsidiary Bolsa Brasileira de Mercadorias (Note 24) and Bolsa de Valores do Rio de Janeiro (BVRJ) manage Guarantee Funds, special purpose entities without a legal status. The maximum liability of these Guarantee Funds is limited to the sum of their net assets.

18. Employee benefits

a) Stock options - long-term benefit

BM&FBOVESPA has a Stock Option Plan ("Option Plan") approved at the Special General Meeting held on May 8, 2008, as amended at the Special General Meeting held on April 18, 2011 and the Annual and Special Meeting held on April 15, 2013, by which the employees of BM&FBOVESPA and its subsidiaries are eligible to receive stock options.

The Option Plan delegates broad powers to the Board of Directors to approve the granting of options and to manage them through stock option programs ("Programs"), which must determine, among other specific conditions: (i) their beneficiaries, (ii) the total number of shares of BM&FBOVESPA to be granted, (iii) the division of the award in batches, if necessary, (iv) the exercise price, (v) the vesting period and deadline for exercising the option, (vi) restrictions on transfer of shares received by exercising the option, and (vii) the resolution of any necessary penalties.

The Plan also allows the Board of Directors to approve the granting of options with different conditions to certain beneficiaries ("Additional Options"). The granting or exercise of the Additional Options must necessarily be conditioned to (i) the acquisition by the Beneficiary of shares of BM&FBOVESPA, through the use of own resources and under the percentage, terms and conditions set forth in each Program ("Own Shares"); and (ii) the observance of a period of restriction on the sale of own shares (lock-up).

After 2013, the Plan provides for granting of stock options to the Board of Directors, under item 13, through which a total of 330,000 options will be granted annually, to be distributed equally among them. The options will be granted to said Directors in a single lot, and may be exercised by the beneficiary after two years from the end of each term of office as a Director of the Board of Directors in which the related options were granted.

Currently there are nine Programs to grant options under the Option Plan, approved by the Board of Directors, and one stock option grant to said Directors. In 2015, BM&FBOVESPA offered its beneficiaries some alternatives to convert the Stock Option Plan (Note 26 – subsequent events).

BM&FBOVESPA recognized expenses related to grants of the Option Plan in the amount of R$28,805 for the year ended December 31, 2014 (2013 – R$ 28,136), matched against capital reserves in equity. BM&FBOVESPA considered in this calculation an estimated turnover between 11% and 20%, i.e. the estimated number of options which will not vest due to employees who opt to leave BM&FBOVESPA or whose employment is terminated before achieving vested rights to exercise the options.

At December 31, 2014, BM&FBOVESPA used 2.07% (2013 - 1.69%) of the total limit of 2.5% of the capital for stock option grants, leaving 0.43% of the capital for new programs. When the options are exercised by the beneficiaries, new shares will be issued, by increasing the capital of BM&FBOVESPA, or treasury shares will be used.

In general, the exercise price per share is equal to the average closing price of the 20 trading days preceding the date of grant, subject to vesting periods for its exercise. The Board of Directors may determine, when each Share Option Plan is launched, that beneficiaries receive a discount as high as 20% in the option exercise price, applied to the basic value determined in the manner described above.

In the specific case of the Additional Stock Options Program, the discount on the additional stock options exercise price may exceed 20% and may be defined at the discretion of the Board of Directors or the Compensation Committee, as applicable, as long as the conditions for a beneficiary's acquisition of Company-issued shares and the restricted transfer of such shares under the Stock Option Program are complied with.

As for the specific Board of Directors grant, under the Stock Option Plan rules, the exercise price of options is the average closing price of shares in the twenty trading days preceding the option grant date, at no discount.

The conditions of the programs provide that the option can be exercised after the expiration of each vesting period, limited to a maximum term set forth in the Program. After the vesting period ends, the option may be exercised wholly or partially. If the option is exercised in part, the holder may exercise the remainder within the established exercise period. The option not exercised within the exercise period and under conditions stipulated in the respective programs shall be forfeited automatically, without right to compensation.

In the event of termination of the beneficiary's relationship with BM&FBOVESPA because of dismissal or resignation, or upon dismissal or termination of service agreement without cause or through resignation: (i) vested options can be exercised within the maximum exercise period set forth in the program, and (ii) unvested options shall be forfeited without right to compensation.

If the beneficiary dies or becomes permanently disabled from performing his or her normal job in BM&FBOVESPA, the rights arising from the options can be exercised, as appropriate, by the beneficiary or his or her heirs and successors, who may exercise such rights, whether or not the initial vesting periods have ended, for a period of one year from the date of death or permanent disability, after which the rights shall be forfeited without right to compensation.

Total options granted

Plan	Grant date	Vesting period	Exercise price (R$ per share)	Granted	Exercised and canceled in prior periods	Canceled and lapsed at 12/31/2014	Exercised at 12/31/2014	Outstanding contracts at 12/31/2014	Fair value of options on grant date (R$ per share)
Program 2008	12/19/2008	6/30/2009	5.174	1,132,966	(1,104,841)	-	**(6,075)**	**22,050**	3.71
	12/19/2008	6/30/2010	5.174	1,132,966	(1,075,366)	-	**(13,275)**	**44,325**	3.71
	12/19/2008	6/30/2011	5.174	1,132,959	(1,055,259)	-	**(25,700)**	**52,000**	3.71
	12/19/2008	6/30/2012	5.174	1,132,959	(980,022)	-	**(92,900)**	**60,037**	3.71
				4,531,850	(4,215,488)	-	**(137,950)**	**178,412**	
Program 2009	3/1/2009	12/31/2009	6.60	2,486,750	(2,316,540)	-	**(70,630)**	**99,580**	2.93
	3/1/2009	12/31/2010	6.60	2,486,750	(2,210,550)	-	**(127,600)**	**148,600**	2.93
	3/1/2009	12/31/2011	6.60	2,486,750	(2,097,340)	-	**(222,410)**	**167,000**	2.93
	3/1/2009	12/31/2012	6.60	2,486,750	(1,885,000)	-	**(395,150)**	**206,600**	2.93
				9,947,000	(8,509,430)	-	**(815,790)**	**621,780**	
Program 2010	1/3/2011	1/3/2011	12.91	3,488,000	(1,430,125)	**(212,125)**	**(90,625)**	**1,755,125**	4.50
	1/3/2011	1/3/2012	12.91	3,488,000	(1,376,125)	**(234,125)**	**(90,625)**	**1,787,125**	4.50
	1/3/2011	1/3/2013	12.91	3,488,000	(1,301,875)	**(267,125)**	**(129,375)**	**1,789,625**	4.50
	1/3/2011	1/3/2014	12.91	3,488,000	(1,167,875)	**(285,125)**	**(183,000)**	**1,852,000**	4.50
				13,952,000	(5,276,000)	**(998,500)**	**(493,625)**	**7,183,875**	

Plan	Grant date	Vesting period	Exercise price (R$ per share)	Granted	Exercised and canceled in prior periods	Canceled and lapsed at 12/31/2014	Exercised at 12/31/2014	Outstanding contracts at 12/31/2014	Fair value of options on grant date (R$ per share)
Program 2011	1/2/2012	1/2/2013	10.07	3,180,500	(1,783,625)	**(148,750)**	**(613,575)**	**634,550**	2.79
	1/2/2012	1/2/2014	10.07	3,180,500	(471,875)	**(145,000)**	**(1,446,775)**	**1,116,850**	2.79
	1/2/2012	1/2/2015	10.07	3,180,500	(534,375)	**(206,250)**	**(32,500)**	**2,407,375**	2.79
	1/2/2012	1/2/2016	10.07	3,180,500	(559,375)	**(287,500)**	**(7,500)**	**2,326,125**	2.79
				12,722,000	(3,349,250)	**(787,500)**	**(2,100,350)**	**6.484,900**	
Additional Program 2011	1/2/2012	1/2/2015	5.04	1,336,345	(143,865)	**(55,098)**	**(49,435)**	**1,087,947**	4.19
	1/2/2012	1/2/2017	5.04	1,336,345	(164,920)	**(146,131)**	**-**	**1,025.294**	4.19
				2,672,690	(308,785)	**(201,229)**	**(49,435)**	**2,113,241**	
Program 2012	1/2/2013	1/2/2014	10.78	2,481,509	(162,500)	**(86,250)**	**(947,650)**	**1,285,109**	5.55
	1/2/2013	1/2/2015	10.78	2,481,509	(175,000)	**(111,250)**	**(12,500)**	**2,182,759**	5.55
	1/2/2013	1/2/2016	10.78	2,481,509	(187,500)	**(151,250)**	**-**	**2,142,759**	5.55
	1/2/2013	1/2/2017	10.78	2,481,509	(187,500)	**(176,250)**	**-**	**2,117,759**	5.55
				9,926,036	(712,500)	**(525,000)**	**(960,150)**	**7,728,386**	
Additional Program 2012	1/2/2013	1/2/2016	6.74	1,098,045	(52,833)	**(68,594)**	**-**	**976,618**	6.98
	1/2/2013	1/2/2018	6.74	1,098,045	(52,832)	**(85,318)**	**-**	**959,895**	6.98
				2,196,090	(105,665)	**(153,912)**	**-**	**1,936,513**	
Program 2013	1/2/2014	1/2/2015	8.73	2,487,078	-	**(11,250)**	**-**	**2,475,828**	3.43
	1/2/2014	1/2/2016	8.73	2,487,077	-	**(43,750)**	**-**	**2,443,327**	3.43
	1/2/2014	1/2/2017	8.73	2,487,077	-	**(68,750)**	**-**	**2,418,327**	3.43
	1/2/2014	1/2/2018	8.73	2,487,077	-	**(68,750)**	**-**	**2,418,327**	3.43
				9,948,309	-	**(192,500)**	**-**	**9,755,809**	
Additional Program 2013	1/2/2014	1/2/2017	5.46	1,546,394	-	**(60,449)**	**-**	**1,485,945**	4.33
	1/2/2014	1/2/2019	5.46	1,546,381	-	**(60,446)**	**-**	**1,485,935**	4.33
				3,092,775	-	**(120,895)**	**-**	**2,971,880**	
Board of Directors grant 2013	1/2/2014	4/30/2017	10.92	330,000	-	**(33,000)**	**-**	**297,000**	2.98
				330,000	-	**(33,000)**	**-**	**297,000**	
Total Programs				**69.318.750**	**(22,477,118)**	**(3,012,536)**	**(4,557,300)**	**39,271,796**	

Total options exercised

	BM&FBOVESPA Plan	
Exercise period	**Average market price (R$ per share)**	**Number of options exercised**
Options exercised in 1Q14	10.27	535,460
Options exercised in 2Q14	11.60	1,248,225
Options exercised in 3Q14	13.02	2,685,265
Options exercised in 4Q14	11.37	88,350
Total options exercised in 2014		**4,557,300**

Changes in the consolidated statements

	Number
Balance at December 31, 2012	**29,920,085**
Options granted	12,122,126
Options exercised (Note 15(b))	(5,923,061)
Options cancelled and lapsed	(2,648,602)
Balance at December 31, 2013	**33,470,548**
Options granted	13,371,084
Options exercised (Note 15(b))	(4,557,300)
Options cancelled and lapsed	(3,012,536)
Balance at December 31, 2014	**39,271,796**

Dilution percentage

	BM&FBOVESPA										2014 Total
Grant date	**12/19/2008**	**3/1/2009**	**1/3/2011**	**1/2/2012**	**1/2/2012**	**1/2/2013**	**1/2/2013**	**1/2/2014**	**1/2/2014**	**1/2/2014**	
Outstanding stock options	178,412	621,780	7,183,875	6,484,900	2,113,241	7,728,386	1,936,513	9,755,809	2,971,880	297,000	39,271
Shares outstanding											1,808,178,5
Dilution percentage	0.01%	0.03%	0.40%	0.36%	0.12%	0.43%	0.11%	0.54%	0.16%	0.02%	2.18%

	BM&FBOVESPA							2013 Total
Grant date	**12/19/2008**	**3/1/2009**	**1/3/2011**	**1/2/2012**	**1/2/2012**	**1/2/2013**	**1/2/2013**	
Outstanding stock options	316,362	1,437,570	8,676,000	9,372,750	2,363,905	9,213,536	2,090,425	33,470,548
Shares outstanding								1,893,582,856
Dilution percentage	0.02%	0.08%	0.46%	0.49%	0.12%	0.49%	0.11%	1.77%

Effects arising from the exercise of options

	2014	2013
Amount received from exercise of options	**44,220**	51,985
(-) Cost of treasury shares disposed of	**(49,559)**	(60,809)
Effect from disposal of shares	**(5,339)**	(8,824)

Option pricing model

To determine the fair value of the options granted, BM&FBOVESPA took into account in a consistent manner the following aspects:

a) The model of stock options granted by BM&FBOVESPA permits the early exercise from a future vesting date occurring between the grant date and the expiry date;
b) The shares underlying the options pay dividends between the grant date and the expiry date.

Accordingly, these options have characteristics of the European model (early exercise is not allowed) until the vesting date and characteristics of the American model (possibility of early exercise) between the vesting date and the expiry date. This type of option is known as “Bermuda” or “Mid-Atlantic style” options and their price must be between the price of a European option and the price of an American option with similar characteristics. In relation to the dividend payment, there are two impacts on the price of this option: (i) the fall in share prices after the dates on which they become ex-dividend, and (ii) the influence of such payments on the decision to exercise the option early.

Considering the aspects above, a modified Binomial method (Cox-Ross-Rubinstein) was used to determine the fair value of the options granted, considering two distinct periods for the possibility of early exercise (before and after the vesting dates). This method produces results which are equivalent to the results of the Black & Scholes model for non-complex European options, having the advantage of combining the characteristics of early exercise and dividend payment associated with the stock option at issue.

The main assumptions used in pricing the options were:

a) The options were valued based on the market parameters effective on each of the grant dates of the different plans;
b) To estimate the risk-free interest rate, the future interest contracts negotiated for the maximum exercise period of the options were considered;
c) Since BM&FBOVESPA was a recently listed entity at the time the BM&F S.A. plan was granted and the BM&FBOVESPA plan was granted for the first time, historical volatility did not provide sufficient information on share volatility, considering the contractual term for exercising the options. As a result, BM&FBOVESPA used the implied volatility of similar entities (international stock exchanges) as a basis for estimating the volatility of its shares over periods in which liquidity was sufficient to guarantee the quality of the data gathered;
d) In order to determine the volatility applied by the pricing model of the second to fifth grants of the BM&FBOVESPA plan, three measures commonly employed in finance were evaluated: (i) implied volatility, (ii) volatility estimated via autoregressive model (GARCH) and; (iii) volatility estimated via exponential weighted moving average (EWMA). Although the exclusive use of implied volatilities, i.e. volatilities computed based on observable market prices offers more accurate estimates, stock options trading had low liquidity on the dates of grant and lower maturities. Thus, BM&FBOVESPA used the average between the implied volatility observed and the estimated volatility via EWMA model to estimate the volatility of its shares, since the results obtained from using the GARCH model were not satisfactory;
e) The share prices were adjusted in order to reflect the impact of dividend payments; and
f) The maximum period for exercising the options granted was used as expiry date of the options.

Other usual assumptions related to option pricing models, such as inexistence of arbitrage opportunities and constant volatility over time were also considered in the calculation.

b) Supplementary pension plan

The pension plan “Fundo de Pensão Multipatrocinado das Instituições do Mercado Financeiro e de Capitais (Mercaprev)” is structured as a defined contribution (DC) plan and is sponsored by BM&FBOVESPA among other entities, with voluntary participation open to all employees.

The participant’s monthly contribution is the sum of 1% contribution of a “*Unidade Previdenciária* - UP” (equivalent to R$ 3,000.00 and adjusted through bargaining agreement) plus the percentage chosen by the employee between 1% to 7% of the value above one “UP” up to the limit of the participant’s salary. The sponsor’s monthly contribution is a 100% match of the value chosen by the participant. BM&FBOVESPA has no obligation to make payments in addition to its contribution as a sponsor. In the event of termination of employment prior to the expected retirement date, the participant may keep the plan under the rules established by the regulation or request the enrollment cancellation, in which case he or she may opt for: (i) the portability of 100% of the balance of the reserves composed of the participant’s contributions and according to the length of employment, up to 90% of the balance of the reserves composed of contributions from the sponsor, or (ii) the redemption of 100% of the balance of the reserves composed of contributions from the participant and according to the length of employment, up to 50% of the balance of the reserves composed of contributions from the sponsor. In any of the options above there is no additional cost to BM&FBOVESPA.

c) Post-employment health care benefit

BM&FBOVESPA maintains a post-retirement health care plan for a group of employees and former employees. At December 31, 2014, the actuarial liabilities related to this plan amounted to R$28,371 (2013 - R$25,940), calculated using the following assumptions:

	2014	2013
Discount rate	**6.2% p.a.**	6.5% p.a.
Economic inflation	**5.0% p.a.**	4.5% p.a.
Medical inflation	**3.0% p.a.**	3.0% p.a.
Mortality table	**AT-2000**	AT-2000

Average life expectancy in years of a pensioner retiring at age 65 is as follows:

Retirement at the balance sheet date (age 65)	20 years
Retirement in 25 years (age 40 today)	20 years

The changes in the defined benefit obligation in the year were as follows:

	2014	2013
At beginning of year	**25,940**	27,533
Current service cost	**46**	173
Past service cost	**1,110**	3,758
Interest cost	**2,883**	2,366
Benefit paid by the plan	**(900)**	(822)
Effect of changes in financial assumptions	**642**	(11,408)
Effect of plan experience	**(1,350)**	4,340
At end of year	**28,371**	25,940

The amounts recognized in P&L are as follows:

	2014	2013
Current service cost	**46**	173
Interest on defined benefit obligation	**2,883**	2,367
Past service cost	**1,110**	-
Total included in P&L for the year	**4,039**	2,540

The amounts recognized in comprehensive income are as follows:

	2014	2013
Effect of changes in financial assumptions	**642**	(11,408)
Effect of plan experience	**(1,350)**	4,340
Past service cost	**-**	3,758
Total included in P&L for the year	**(708)**	(3,310)

The sensitivity of the actuarial liability at December 31, 2014 to the changes in key assumptions is as follows:

	0.5% increase	0.5% decrease
Discount rate	(1,803)	1,999
Medical inflation	2,053	(1,832)

	Life expectancy + 1	Life expectancy - 1
Mortality table	1,202	(1,181)

19. Income and social contribution taxes

a) Deferred income and social contribution taxes

The balances of deferred tax assets and liabilities are as follows:

	BM&FBOVESPA and Consolidated	
Description	**2014**	**2013**
Tax, civil and labor contingencies	**20,360**	16,554
Tax loss carryforwards	**29,107**	29,107
Exchange variation on issue of debt abroad	**185,753**	120,499
Other temporary differences	**39,561**	36,877
Total deferred tax assets	**274,781**	203,037
Goodwill amortization (1)	**(2,849,923)**	(2,295,347)
Other	**(9,383)**	(427)
Total deferred tax liabilities	**(2,859,306)**	(2,295,774)
Deferred taxes, net	**(2,584,525)**	(2,092,737)

(1) Deferred income and social contribution tax liabilities arising from temporary differences between the tax base of goodwill and its carrying amount on the balance sheet, considering that goodwill is still amortized for tax purposes, but is no longer amortized for accounting purposes as from January 1, 2009, resulting in a tax base smaller than the carrying amount of goodwill. This temporary difference may result in amounts becoming taxable in future periods, when the carrying amount of the asset will be reduced or settled, thus requiring the recognition of a deferred tax liability.

Changes in deferred tax assets and liabilities during the year:

	BM&FBOVESPA and Consolidated			
	2013	Debt (credit) in the income statement	Debt (credit) in comprehensive income	2014
Deferred tax assets				
Tax, civil and labor contingencies	16,554	**3,806**	**-**	**20,360**
Deferred assets on tax loss carryforwards	29,107	**-**	**-**	**29,107**
Exchange variation on issue of debt abroad	120,499	**-**	**65,254**	**185,753**
Other temporary differences	36,877	**2,684**	**-**	**39,561**
Total deferred tax assets	203,037	**6,490**	**65,254**	**274,781**
Deferred tax liabilities				
Goodwill amortization	(2,295,347)	**(554,576)**	**-**	**(2,849,923)**
Other	(427)	**(8,714)**	**(242)**	**(9,383)**
Total deferred tax liabilities	(2,295,774)	**(563,290)**	**(242)**	**(2,859,306)**
Deferred taxes, net	(2,092,737)	**(556,800)**	**65,012**	**(2,584,525)**

b) Estimated realization period

Deferred income and social contribution tax assets arising from temporary differences are recorded in the books taking into consideration their probable realization, based on projections of future results prepared based on internal assumptions and future economic scenarios that may, accordingly, not materialize as expected.

Deferred tax assets (including tax loss carryforwards of R$29,107) are expected to be realized in the amount of R$9,354 within one year and R$265,427 after one year and realization of deferred tax liabilities is expected to occur after one year. At December 31, 2014 the present value of the deferred tax assets, considering their expected realization, is R$168,365.

Since the income and social contribution tax base arises not only from the profit that may be generated, but also from the existence of nontaxable income, nondeductible expenses, tax incentives and other variables, there is no immediate correlation between BM&FBOVESPA net income and the income subject to income and social contribution taxes. Therefore, the expected use of tax assets should not be considered as the only indicator of future income of BM&FBOVESPA.

The balance of goodwill that is deductible for income and social contribution tax purposes amounts to R$4,774,932 at December 31, 2014 (2013 - R$6,406,038).

The realization of the deferred tax liabilities will occur as the difference between the tax base of goodwill and its carrying amount is reversed, that is, when the carrying amount of the asset is either reduced or settled.

c) Reconciliation of income and social contribution tax expense

Reconciliation of the income and social contribution tax amounts recorded in P&L (Company and consolidated) and their respective amounts at statutory rates are as under:

	BM&FBOVESPA	
	2014	**2013**
Continued Operation	**1,642,148**	1,685,880
Discontinued operation	**(7,692)**	(388)
Income before income and social contribution taxes	**1.634.456**	1.685.492
Income and social contribution taxes before additions and exclusions computed at the statutory rate of 34%	**(555,715)**	(573,067)
Additions:	**(177,812)**	(106,539)
Stock option plan	**(9,794)**	(9,566)
Nondeductible expenses - permanent (1)	**(35,866)**	(32,125)
Income abroad	**(81,020)**	(64,848)
Refis tax program (Note 14(e))	**(51,132)**	-
Exclusions:	**76,100**	75,610
Equity pickup	**76,100**	58,610
Interest on equity	**-**	17,000
Other	**24**	20
Income and social contribution taxes	**(657,403)**	(603,976)

	Consolidated	
	2014	2013
Continued Operation	**1,646,680**	1,687,884
Discontinued operation	**(7,807)**	(349)
Income before income and social contribution taxes	**1,638,873**	1,687,535
Income and social contribution taxes before additions and exclusions computed at the statutory rate of 34%	**(557,217)**	(573,762)
Additions:	**(175,900)**	(108,110)
Stock option plan	**(9,794)**	(9,566)
Nondeductible expenses - permanent (1)	**(33,954)**	(33,697)
Income abroad	**(81,020)**	(64,847)
REFIS tax program (Note 14(e))	**(51,132)**	-
Exclusions:	**72,134**	75,264
Equity pickup	**72,134**	58,264
Interest on equity	**-**	17,000
Other	**24**	20
Income and social contribution taxes	**(660,959)**	(606,588)

d) Taxes recoverable and prepaid

Taxes recoverable and prepaid are as follows:

	BM&FBOVESPA	
Description	**2014**	**2013**
Prepaid IRPJ/CSLL - current year	**28**	7,989
IRRF - Financial investments - current year	**73,407**	49,252
IRPJ and CSLL tax losses - prior years	**2,654**	13,904
Recoverable taxes paid abroad	**56,260**	24,765
PIS/COFINS recoverable	**27,645**	20,138
Other taxes	**6,150**	4,332
Total	**166,144**	120,380

	Consolidated	
Description	**2014**	**2013**
Prepaid IRPJ/CSLL - current year	**447**	7,988
IRRF - Financial investments - current year	**73,407**	49,252
IRPJ and CSLL tax losses - prior years	**2,654**	13,904
Recoverable taxes paid abroad	**55,841**	24,765
PIS/COFINS recoverable	**27,645**	20,138
Other taxes	**6,160**	4,349
Total	**166,154**	120,396

e) Transitional Taxation Regime (RTT)

Revenue Procedure No. 1397, published September 16, 2013, and Law No. 12973/2014, published May 13, 2014, as passed from Executive Order No. 627/2013, significantly changed the federal tax regulations, especially insofar as they refer to the adjustments required for termination of the Transitional Taxation Regime introduced by Law No. 11941, of May 27, 2009. Law No. 12973/2014 will be effective from calendar year 2015 (article 119), with an option for early adoption as of calendar year 2014 (article 75).

Based on management's analysis on the potential tax impacts from the new provisions of Law No. 12973/2014, BM&FBOVESPA opted for adopting the provisions of articles 1, 2 and 4 to 70th of said Law for calendar year 2014, under the terms and conditions established in the regulation issued by Brazil’s IRS.

20. Revenue

	BM&FBOVESPA		Consolidated	
	2014	2013	2014	2013(*)
Trading, clearing and settlement system - BM&F	**866,595**	916,530	**866,577**	916,530
Derivatives	**850,607**	897,098	**850,607**	897,098
Exchange	**15,988**	19,424	**15,970**	19,424
Assets	**-**	8	**-**	8
Trading, clearing and settlement system - Bovespa (1)	**977,374**	1,023,978	**977,373**	1,023,978
Trading – trading fees	**162,620**	192,985	**162,620**	192,985
Transactions – clearing and settlement	**793,493**	804,570	**793,493**	804,570
Other	**21,261**	26,423	**21,260**	26,423
Other revenue	**364,600**	393,847	**402,502**	424,448
Securities lending	**81,203**	102,186	**81,203**	102,186
Securities listing	**47,445**	47,126	**47,445**	47,126
Depository, custody and back-office	**117,089**	116,305	**117,089**	116,305
Trading participant access	**39,333**	47,705	**39,333**	47,705
Vendors – quotations and market information	**70,032**	69,236	**70,032**	69,236
Banco – financial intermediation and bank fees	**-**	-	**27,220**	22,023
Other	**9,498**	11,289	**20,180**	19,867
Deductions	**(213,409)**	(236,131)	**(216,019)**	(238,318)
PIS and COFINS	**(184,658)**	(206,711)	**(186,770)**	(208,412)
Service tax	**(28,751)**	(29,420)	**(29,249)**	(29,906)
Revenue	**1,995,160**	2,098,224	**2,030,433**	2,126,638

(*) The balances for FY2013 are being restated in Compliance with CPC31 – Discontinued Operations (Note 24).

(1) In April 2013, given changes in the policies governing the spot market, trading and after-trading fees (transactions) for local institutional investors and day traders were rebalanced, and the fees for the other investors were reduced.

21. Sundry expenses

Description	BM&FBOVESPA 2014	BM&FBOVESPA 2013
Contributions and donations (1)	**24,860**	7,760
Sundry provisions (2)	**10,682**	21,691
Electricity, water and sewage	**10,827**	9,853
Travel	**2,765**	4,080
Expenses with entities abroad	**2,449**	3,406
Rental	**2,619**	2,427
Consumption material	**1,084**	1,394
Minimum trading fees BBM (Note 16)	**1,193**	1,159
Insurance	**848**	947
Transportation	**1,179**	928
Write-off of intangible assets	**2,208**	-
Other	**6,128**	4,354
Total	**66,842**	57,999

Description	Consolidated 2014	Consolidated 2013 (*)
Contributions and donations (1)	**24,945**	7,835
Sundry provisions (2)	**10,776**	21,721
Electricity, water and sewage	**11,010**	10,032
Travel	**3,009**	4,398
Rental	**2,868**	2,868
Consumption material	**1,131**	1,467
Minimum trading fees BBM (Note 16)	**1,193**	1,159
Insurance	**850**	952
Transportation	**1,220**	948
Write-off of intangible assets	**2,208**	-
Other	**6,469**	4,576
Total	**65,679**	55,956

(*) The balances for FY2013 are being restated in Compliance with CPC31 – Discontinued Operations (Note 24).

(1) This mainly refers to transfer of fines for settlement failures from BM&FBOVESPA to BM&FBOVESPA Supervisão de Mercados – BSM, as well as donations to the Foundation for Coordination of Graduate Professionals Training (CAPES), in the context of the Science without Frontiers Program.
(2) Basically refers to the provision for tax, civil and labor contingencies and allowance for doubtful accounts.

22. Financial income (expenses)

	BM&FBOVESPA	
	2014	**2013**
Financial income		
Income from financial assets measured at fair value	**317,408**	264,884
Exchange gains	**26,008**	15,464
Other financial income	**15,043**	16,139
	358,459	296,487
Financial expenses		
Interest and exchange variation on foreign debt	**(96,923)**	(91,636)
Exchange losses	**(27,843)**	(15,674)
Other financial expenses (1)	**(27,627)**	(9,820)
	(152,393)	(117,130)
Financial income	**206,066**	179,357

	Consolidated	
	2014	**2013(*)**
Financial income		
Income from financial assets measured at fair value	**320,667**	267,373
Exchange gains	**26,008**	15,464
Other financial income	**15,086**	16,031
	361,761	298,868
Financial expenses		
Interest and exchange variation on foreign debt	**(96,922)**	(91,636)
Exchange losses	**(27,836)**	(15,677)
Other financial expenses (1)	**(28,846)**	(10,860)
	(153,604)	(118,173)
Financial income	**208,157**	180,695

(*) The balances for FY2013 are being restated in Compliance with CPC31 – Discontinued Operations (Note 24).

(1) The balance for 2014 includes the amount of R$18,105 referring to interest arising from the Tax Recovery Program (REFIS) (Note 14 (e)).

23. Segment information

We present below consolidated information based on reports used by the Executive Board for making decisions, comprising the following segments: Bovespa, BM&F, Institutional and Corporate Products. Due to the nature of the business, the Executive Board does not use any information on assets and liabilities by segment to support decision-making.

BM&F Segment

The BM&F segment covers the main steps of the cycles of trading and settlement of securities and contracts: (i) trading systems in an environment of electronic trading and trading via internet (WebTrading), (ii) recording, clearing and settlement systems, integrated with a risk management system to ensure the proper settlement of the transactions recorded, and (iii) custodian systems for agribusiness securities, gold and other assets.

In addition, this segment includes the trading of commodities, foreign exchange, and public debt, and services provided by BM&FBOVESPA Bank.

Bovespa Segment

Bovespa Segment covers the various stages of the trading cycle of fixed and variable income securities and equity securities on stock and over-the-counter (OTC) markets. BM&FBOVESPA manages the national stock exchange and OTC markets for trading of variable income securities, including stocks, stock receipts, Brazilian Depository Receipts, stock derivatives, subscription warrants, various types of closed-end investment fund shares, shares representing audiovisual investment certificates, non-standard options (warrants) to purchase and sell securities and other securities authorized by the CVM.

Institutional and Corporate Products Segment

Mainly refers to services provided as depository of securities, as well as lending and listing of securities (registration in BM&FBOVESPA systems of issuers of securities for trading), data services and classification of commodities, and technological products.

	2014			
	Consolidated			
	BM&F Segment	Bovespa Segment	Institutional and Corporate Products Segment	Total
Trading, clearing and settlement system	866,577	977,373	402,502	2,246,452
Deductions	(84,658)	(97,697)	(33,664)	(216,019)
Revenue	781,919	879,676	368,838	2,030,433
Adjusted expense	(211,063)	(191,526)	(183,505)	(586,094)
Depreciation and amortization	(52,308)	(39,818)	(27,007)	(119,133)
Stock options	(10,175)	(9,164)	(9,466)	(28,805)
Allowance for doubtful accounts and other provisions	(4,499)	(5,893)	(4,102)	(14,494)
Transfer of fines	(2,405)	(3,023)	(703)	(6,131)
Other	(19,385)	(24,364)	(5,664)	(49,413)
Total expenses	(299,835)	(273,788)	(230,447)	(804,070)
P&L	482,084	605,888	138,391	1,226,363
Equity pickup				212,160
Financial income				208,157
Income and social contribution taxes				(660,959)
Discontinued operations (Note 24)				(7,807)
Net income for the year	482,084	605,888	138,391	977,914

	2013 (*)			
	Consolidated			
	BM&F Segment	Bovespa Segment	Institutional and Corporate Products Segment	Total
Trading,clearing and settlement system	916,530	1,023,978	424,448	2,364,956
Deductions	(92,704)	(106,471)	(39,143)	(238,318)
Revenue	823,826	917,507	385,305	2,126,638
Adjusted expense	(170,388)	(214,956)	(183,482)	(568,826)
Depreciation and amortization	(41,007)	(53,085)	(25,442)	(119,534)
Stock options	(8,858)	(10,231)	(9,047)	(28,136)
Allowance for doubtful accounts and other provisions	(8,671)	(9,116)	(4,983)	(22,770)
Transfer of fines	(236)	(250)	(75)	(561)
Other	(21,438)	(22,706)	(6,843)	(50,987)
Total expenses	(250,598)	(310,344)	(229,872)	(790,814)
P&L	573,228	607,163	155,433	1,335,824
Equity pickup				171,365
Financial income				180,695
Income and social contribution taxes				(606,588)
Discontinued operations (Note 24)				(349)
Net income for the year	573,228	607,163	155,433	1,080,947

(*) The balances for FY2013 are being restated in Compliance with CPC31 – Discontinued Operations (Note 24).

24. Discontinued operations

BM&FBOVESPA had been considering its interest in Bolsa Brasileira de Mercadorias over the past few years and determined that the assumptions regarding the expected supplementation of activities performed by Bolsa Brasileira de Mercadorias in the commodities market and activities performed by BM&FBOVESPA (then BM&F) in the futures market would represent opportunities to both entities did not materialize. In this context, BM&FBOVESPA put forward some proposals for discussion with the Board of Directors of Bolsa Brasileira de Mercadorias with a view to realigning the structure of Bolsa Brasileira de Mercadorias. Given that those proposals did not evolve as expected by BM&FBOVESPA, it decided to dispose of its interest in Bolsa Brasileira de Mercadorias, having ceased to act in the capacity of Founding Member.

This decision was informed to the Extraordinary General Meeting held by Bolsa Brasileira de Mercadorias on December 16, 2014, when the matter was deliberated upon and approval was given to the conditions required of BM&FBOVESPA to cease to act in the capacity of Founding Member and to waive its rights and duties. Moreover, an agreement was entered into by Bolsa Brasileira de Mercadorias and BM&FBOVESPA, whereby the former irrevocably and unconditionally relieves the latter from its obligations as a member, and from any responsibility for the liabilities and contingencies of Bolsa Brasileira de Mercadorias, whether currently known or to exist in the future, except in case of malicious intent or gross negligence by BM&FBOVESPA, fully acknowledged in a final judgment. With the waiver to the equity securities issued by Bolsa Brasileira de Mercadorias owned by BM&FBOVESPA and related disassociation from Bolsa Brasileira de Mercadorias, BM&FBOVESPA recognized the investment disposal in the amount of R$ 7,539, based on its book value as at November 30, 2014.

The results from discontinued operations for 2014 and 2013 are summarized below:

Net result from discontinued operations

	BBM	
	11/30/2014	**2013**
Operating revenue	**3,326**	3,939
Members' contributions - BM&FBOVESPA	**1,094**	1,242
Members' contributions - Other	**1,132**	1,159
Net operating revenue	**5,552**	6,340
General and administrative expenses	**(6,366)**	(7,327)
Depreciation and amortization	**(110)**	(127)
Provision for contingencies/Allowance for doubtful accounts	**(302)**	(75)
Financial income	**958**	840
Deficit for the period/year	**(268)**	(349)
Investment disposal	**(7,539)**	-
Result from discontinued operations, net of taxes	**(7,807)**	(349)

Balance sheet

	BBM
Assets	**11/30/2014**
Current assets	**15,089**
Cash and equivalents and short-term investments	**14,001**
Trade and other receivables	**1,088**
Noncurrent assets	**1,488**
Property and equipment	**1,488**
Total	**16,577**
Liabilities and equity	
Current liabilities	**2,103**
Trade payables	**368**
Payroll and related charges	**578**
Provision for taxes payable and other charges	**1,157**
Noncurrent liabilities	**398**
Provision for contingencies	**398**
Equity	**14,076**
Total	**16,577**

Cash flow from discontinued operations

	BBM
	11/30/2014
Cash flow from operating activities	**119**
Cash flow from investing activities	**(25)**
Cash flow from financing activities	**(92)**
Net cash generated	**2**

25. Other information

a) BM&FBOVESPA seeks advice from insurance brokers to ensure that it has a sufficient level of insurance cover for its size and operations. The main coverage in its insurance policies at December 31, 2014 is shown below:

Insurance line	Amount insured
Amounts at risk, property damages, buildings and equipment	572,187
Civil liability	134,000
Works of art	16,133

b) Associação Profissionalizante BM&FBOVESPA (APBM&FBOVESPA) is a not-for-profit entity engaged in promoting educational, social welfare and sports activities. The sports-related initiatives included offering support to the BM&FBOVESPA Athletics Club and sponsorship to athletes (these activities were incorporated by specific association, known as Clube de Atletismo BM&FBOVESPA in July 2013). APBM&FBOVESPA is supported by the BM&FBOVESPA Institute, a not-for-profit association that has BM&FBOVESPA as its founding member.

APBM&FBOVESPA is a defendant in judicial and administrative proceedings involving tax matters, assessed as probable loss, most of which are related to questioning by Brazilian IRS about social security taxes allegedly owed by APBM&FBOVESPA on payments made to third parties and on sponsorships to athletes of the Clube de Atletismo BM&FBOVESPA. If the outcome of these proceedings is not favorable to APBM&FBOVESPA, BM&FBOVESPA may have to provide funds to maintain the activities of such club. The amount involved in said proceedings at December 31, 2014 is R$17,552.

26. Subsequent events

a) BM&FBOVESPA repurchased 5,786,300 shares between January 1 and 23, 2015, observing the lock-up period as determined by CVM Instruction No. 358, under the Share Buyback Program approved by the Board of Directors on December 11, 2014 (Note 15(b)).

b) At a meeting held on February 10, 2015, the Board of Directors approved the distribution of supplementary dividends relating to the year ended December 31, 2014 in the amount of R$185,941, to be approved by the General Shareholders' Meeting. Furthermore, the cancellation of 85,000,000 treasury shares issued by BM&FBOVESPA, and acquired within the scope of share buyback programs, was proposed and approved in that meeting.

c) Stock options - long-term benefit

Pursuant to the Notice to the Market published February 4, 2015, BM&FBOVESPA decided to offer to the beneficiaries of the Company's Stock Options Plan (respectively "Beneficiaries" and "Options") the following choices: (i) remaining as holders of their Options, or (ii) cancelling their outstanding Options and receiving an amount in cash with respect to those Options which had already vested ("Vested Options"), or receiving shares of the Company, to be transferred in future dates, with respect to those Options which had not yet vested ("Non-vested Options").

The shares received with respect to the cancellation of Non-vested Options are subject to the Stock Grant Plan approved by the Company in an Extraordinary General Meeting on May 13, 2014.

This decision also considered the aspects of Law No. 12973/14, which among other topics addresses the deductibility, for the purposes of calculating taxable profit, of the expenses associated with equity instruments granted to beneficiaries of incentive plans.

The amounts to be paid in cash and granted in shares for cancellation of the Options, as defined in CPC 10 (R1), were calculated based on the fair value ("Fair Value") of the Options on January 5, 2015, and the results of these calculations were reviewed and validated by specialized external consultants.

The cancelled Vested Options resulted in cash payments equivalent to the Fair Value of those Options. The cancelled Non-vested Options, meanwhile, resulted in the granting of a number of Company shares which was calculated based on the Fair Value of the Non-vested Options on January 5, 2015 and on the closing price of the shares on the same date (R$9.22).

Programs	# of outstanding options (Dec/14)	Fair value (R$)	Converted vested options		Converted non-vested options	
			# of options (1)	Total fair value (R$)	# of options	# of shares
2008	178,412	4.48	173,412	776,886	-	-
2009	621,780	3.72	581,780	2,164,222	-	-
2010	7,183,875	1.94	6,498,875	12,607,818	-	-
2011	6,484,900	3.37	3,971,275	13,383,197	2,257,375	825,138
2012	7,728,386	3.45	3,391,618	11,701,082	4,228,018	1,582,170
2013	9,755,809	4.09	2,414,578	9,875,624	7,243,731	3,213,606
2011 additional	2,113,241	4.90	1,025,300	5,023,970	1,025,280	544,906
2012 additional	1,936,513	4.34	-	-	1,919,785	903,694
2013 additional	2,971,880	4.87	-	-	2,971,880	1,569,771
Total	38,974,796		18,056,838	55,532,798	19,646,069	8,639,285

(1) Does not include the 1,259,389 Options awarded in the past to employees who have recently left BM&FBOVESPA, which had different exercise dates and therefore different fair values than those described above. The cancelation of these Options will result in cash payments of R$839.

(2) 12.5 thousand Options will not be converted, since the Beneficiaries did not adhere to the Company's proposal.

The shares granted in exchange for the cancelled Non-vested Options will be subject to the same rules in cases of dismissal, disablement, death or retirement. The 8,639,285 shares relating to this grant represent a 56% decrease in the potential share dilution that would be determined as compared to the previous condition. Furthermore, these shares will have dates for transfer that are the same as the vesting periods established for each Option program and will be transferred to the Beneficiaries in January each year: 3,139,275 in 2016; 3,192,082 in 2017; 1,523,046 in 2018; and 784,882 in 2019.

The cash payment made with respect to the cancellation of the Vested Options will impact the financial statements of BM&FBOVESPA for 2015 as follows:

- R$56,372 related to the principal amount (Fair Value of the Vested Options multiplied by the number of Vested Options, per Program), recognized in equity, in the first quarter of 2015, with no impact on the income statement for the period, since these Options had already affected the Company's expenses in previous financial periods (as set forth in CPC 10 (R1) mentioned above);
- R$33,507 related to payroll charges, recognized as personnel expenses during 2015 (around 80% in the first quarter), with a net impact in the income statement, after deductibility for purposes of computing income tax and social contribution tax, in the amount of R$22,784.

In the case of Non-vested Options, the personnel expenses related to the Options Plan, with no cash impact, to which BM&FBOVESPA was already committed and which would have been recognized between 2015 and 2018, will be replaced with personnel expenses related to the Stock Grant Plan over the same period, also with no cash impact. As the transition was executed at Fair Value, the original values of the Options (now cancelled) will continue to be used as the reference for the expenses of the shares granted (as set forth in CPC 10 (R1)), with no change to the value to be computed over time. The only additional impact will result from the payroll charges (60.3% applied on the value of the shares transferred to the Beneficiaries) which will be provisioned and recognized as personnel expenses proportionate to each year and impact the Company's cash, almost in its entirety, on the date of the transfer of the shares. In other words, throughout 2015, payroll charges will be provisioned in relation to the shares to be transferred to the Beneficiaries in January 2016, and so on for each year thereafter.

BM&FBOVESPA entered into commitments with the Beneficiaries, including executive officers who are related parties, to indemnify them, by undertaking potential liabilities related to tax violation notices. At December 31, 2014, known tax violation notices amounted to R$17.7 million.

Independent Auditor's Report

THE BOARD OF DIRECTORS, SHAREHOLDERS AND OFFICERS
BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros

We have audited the accompanying individual and consolidated financial statements of BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros ("Company"), identified as "BM&FBOVESPA" and "Consolidated", respectively, which comprise the balance sheet as at December 31, 2014, and the related income statement, statement of comprehensive income, of changes in equity and of cash flows for the year then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Brazilian and international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the Company's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros as at December 31, 2014, its individual and consolidated operating performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Other matters

Statement of value added

We have also audited the individual and consolidated statement of value added (SVA) for the year ended December 31, 2014, prepared under management's responsibility, whose presentation is required by the Brazilian Corporation Law for publicly-held companies and as additional information by the IFRS, which do not require SVA presentation. These statements were subject to the same audit procedures described above and, in our opinion, they are fairly presented, in all material respects, in relation to the overall financial statements.

São Paulo, February 10, 2015.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Flávio Serpejante Peppe
Accountant CRC-1SP172167/O-6

Kátia Sayuri Teraoka Kam
Accountant CRC-1SP272354/O-1

Audit Committee Report

Preliminary Information

The Audit Committee of BM&FBOVESPA S.A. is a standing advisory committee of the Board of Directors established under the Bylaws. It is composed of one director and four additional members, one of them being the Financial Specialist. All committee members are independent members and are appointed for two-year terms by the Board of Directors having regard to qualification criteria set forth under applicable law and regulations as well as the better recommended international standards.

Duties and responsibilities

The Management of BM&FBOVESPA S.A. (hereinafter referred to as "BM&FBOVESPA") is responsible for defining and implementing processes and procedures aimed to collect and retrieve data and information required for preparation of financial statements that conform with the corporate legislation and are in accordance with are the accounting principles generally accepted in Brazil and the requirements provided by the Brazilian Securities Commission.

In addition, the Management is responsible for ensuring the internal control processes, policies and procedures adequately safeguard the Company assets, allowing for timely recognition of liabilities and mitigation, down to acceptable levels, of the risk factors to which the Company is exposed.

The Internal Controls, Compliance and Enterprise Risk Department is responsible for overseeing the three environments their name identifies. Moreover, it is responsible for providing the information on which the Audit Committee and the Risk Committee of BM&FBOVESPA rely to operate.

The responsibilities of the Internal Audit Department include assessing the quality of the internal control system of BM&FBOVESPA and the level of compliance with the policies and procedures defined by Management, including the internal control over financial reporting.
The independent auditors are responsible for examining the financial statements in order to give an opinion about the degree of the Company's adherence to applicable rules. As a result of their work (and without prejudice to other reports they prepare within the purview of their auditing function, such as the quarterly financial reports they review), the independent auditors issue a report with their recommendations about accounting procedures and internal controls.

The functions of the Audit Committee are set forth in the Committee Rules, which make provisions regarding the duties prescribed under Brazilian Securities Commission (CVM) Ruling 509/11, and are accessible in the investor relations webpage (tags for "Corporate Governance" and "Bylaws, Codes and Policies") at www.bmfbovespa.com.br.
The judgments of the Audit Committee are based, and its and opinions are formed in reliance on information provided by Management, including representations by Management regarding the information systems, the financial statements and the internal controls over financial reporting, as well as the work performed by the Internal Controls, Compliance and Enterprise Risk Department, the Internal Audit Department and the Independent Auditors.

Activities of the Audit Committee

The Audit Committee convened in eleven ordinary sessions and two extraordinary sessions over the year, having held 89 meetings with executive officers, internal auditors and independent auditors and other interlocutors. As a director, the Committee Coordinator reports to the Board any material developments occurring at committee level, as they arise.

Meetings with the Board of Executive Officers

The Committee met with the officers and their staff to discuss the structures and operations in each of their functional areas of business, and their work processes, possible deficiencies in control systems and improvement plans.
The topics that required greater attention from the Committee include:

IT and Information Security – Over the course of 2014, the Audit Committee has continued to monitor primarily the progress of efforts to improve Information Technology processes and controls and the implementation of mid- and long-term action plans.
At meetings with the Managing Director for Technology and Information Security and his team, the Committee discussed issues relating to IT personnel management and the construction of the new Data Center. In addition, the Committee followed developments related to the Project for Integration of Clearing Facilities (IPN), in particular the integration of clearing and risk management systems for the Derivatives Clearinghouse, which was implemented in the period. And with the staff of the Internal Audit Department, the Committee discussed the Information Technology General Controls, including, in particular, Information Security and the outcomes of the intrusion detection tests.
Moreover, the Committee reviewed the outcomes of the business continuity tests implemented over the course of 2014, which have been monitored by the internal auditors.

Financial Management and Reporting – At meetings with the Chief Financial Officer and the independent auditors, and when called for with external specialist consultants as well, the Committee discussed issues related to impairment tests carried out for an assessment of the carrying value of goodwill from the merger with Bovespa Holding and the value of the investment in CME Group shares.

Legal Contingencies – With the Legal Department staff, including the lawyers in charge, and the Financial Department staff and the Independent Auditors, the Committee analyzed and discussed the main legal cases ongoing before administrative courts and judicial courts as well as the decisions issued thus far and the prospects for success.

Human Resources – With the Human Resources Department staff, the Audit Committee discussed issues related to compensation and benefits paid to senior management members as well as issues concerning the pension fund plan.

Internal Controls, Enterprise Risk; Other Departments

A unit has been formed to tackle compliance with laws, regulations and other rules. A mapping of regulatory requirements is now set for completion, which will be followed in the second half of 2015 by the process of control self-assessment.
The Committee has reviewed the Enterprise Risk Report, which meets the requirements of CVM Ruling 461/07, and the Internal Controls Report, which has been prepared pursuant to article 3 of National Monetary Council (CMN) Resolution 2,554/97.

Additionally, the Committee receives at regular intervals a summary of all communication between the Company and the Regulatory Agencies and the Judiciary with regard to issues within the purview of this Committee.

In the opinion of the Audit Committee, the procedures oriented towards increasing the effectiveness of internal control and risk management processes are adequate.

Independent Auditors
The Committee has met with the independent auditors for a discussion of the policy to ensure independence is maintained relative to their audit work, and for a verification of absence of conflict of interest concerning work other than the auditing and review of financial statements and reports for which they are engaged by Management. Other topics the Committee discussed with the independent auditors include: analysis of audit risk (including individual components); audit work planning, including nature, scheduling, depth of process, potentially identified points of attention and process to address them in the course of the audits. Additionally, the Committee discussed with EY the outcomes of their audits of processes related to Central Counterparty Risk and IT Risk.

Moreover, during the year, in the outcome of each of their special review of the Company's quarterly financial reports, the Committee met with the independent audit team to discuss their main findings. In addition, before the preliminary audit work and at the end of each audit of the 2014 financial statements, the Committee held special meetings with the auditors to discuss and revisit the matter of residual risks and related procedures.

Every point deemed to be materially important has been addressed for an assessment of risks potentially associated with the financial statements and the mitigation of any such risks through audit and control procedures.
By the year-end the Committee performed a formal assessment of the independent audit work and is of the opinion the quality and volume of information provided are adequate.

The Committee has not identified circumstances which would adversely affect the independence of the external auditors.

Internal Auditors
The Audit Committee is responsible for the technical oversight of the work performed by the Internal Audit Department. The Annual Internal Audit Plan for 2014 was approved by the Committee, which conducted periodic follow-up sessions regarding the plan execution. The Committee has received and reviewed the internal audit reports, which have been considered to be satisfactory as to scope, methodology and substance.
The Audit Committee implements follow-up processes regarding Action Plans related to audit points identified across audited departments.
By the year-end the Committee performed a formal assessment of the internal audit work, having found that there have been significant improvements in quality of work performed.

Recommendations of the Audit Committee
The action plans executed over the course of 2014 as a result of the Committee's recommendations in previous years have been adequately implemented and duly overseen by the Audit Committee.

Findings
The Audit Committee is of the opinion all material information received by the Committee in the course of work performed over the year, such as described in this report, is adequately disclosed in the Management's Discussion and Analysis and the audited financial statements as of and for the year ended December 31, 2014, which, thus, the Committee recommends for approval by the Board of Directors.

São Paulo, February 10, 2015.

Nelson Carvalho – Committee Coordinator, Financial Specialist and Director of BM&FBOVESPA S.A.
Paulo Roberto Simões da Cunha
Pedro Oliva Marcilio de Sousa
Sérgio Darcy da Silva Alves
Tereza Grossi

BM&FBOVESPA
The New Exchange

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BM&FBOVESPA
MAR 2015
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CREDITS

COORDINATION

Communication, Human Resources & Education Department

Investor Relations Department

Press & Sustainability Department

Internal Controls, Compliance & Corporate Risk Department

Finance Department

COMPOSITION

Rose Jordão

TRANSLATION AND REVISION

Transcreation Ltda.

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BM&FBOVESPA

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