



BRASIL
BOLSA
BALCÃO

B3: BORN FROM THE MERGER OF BM&FBOVESPA AND CETIP.

B3 was created in March 2017 as the result of a merger between BM&FBOVESPA and CETIP. The combination gave rise to a world-class financial market infrastructure company, consolidating BM&FBOVESPA's position in listed products trading and post-trading, and CETIP's position in registration and depository services for OTC securities.

The merger extended the range of products and services offered to B3's customers, as well as creating efficiencies for both the company and the market.

However, because this report covers the period between January 1 and December 12, 2016, its contents refer solely to BM&FBOVESPA S.A. Securities, Commodities & Futures Exchange.



BM&FBOVESPA: a future without borders

Annual Report 2016

BM&FBOVESPA
The New Exchange



Message from the Board of Directors ^{G4-1}

Transformational decisions that make our business even more robust

The year 2016 stands out as one of the most important years in the Company's history in light of the approval by our shareholders in May of the proposal to combine our activities with those of CETIP. The merger was evaluated by the regulators (CVM, BCB and CADE) and consummated in March 2017. This important strategic step will enable the Company to expand and diversify its portfolio of products and services, and create an even more complete world-class market infrastructure company capable of serving customers more efficiently than ever.

Another key aspect of the merger is that it has been engineered without impairing the Company's robustness and financial solidity. This was made possible by the use of a structure that combined a stock swap and cash payment for equity in CETIP. Funding for the cash payment was obtained by selling our remaining investment in the equity of CME Group and issuing bonds in late 2016. This debt is practically provisional as it will be repaid in the next three years.

Now, in 2017, we are enthusiastically facing the challenges of integrating these two winning business organizations: creating a new corporate culture that preserves their strengths and makes them even stronger; always seeking to surprise our customers, participants and regulators positively; and continuing to lead the development of the financial and capital markets in Brazil.

We have decided to adopt a new name and logo. Now we are B3. This symbolizes our focus on the future, on the new Company that will always strive to be more than the sum of the two organizations from which it was born.

There will also be significant changes in our leadership. After an outstanding professional career, including a fundamental role in building and developing Brazil's financial and capital markets and creating B3, Edemir Pinto has stepped down as Chief Executive Officer. The new CEO is Gilson Finkelsztain, who has headed CETIP for the past several years and whose career includes more than 20 years in the financial service industry. We are confident that with the support of the Company's senior officers and other staff Gilson will continue the legacy left by Edemir. The Board of Directors, which has also undergone changes and been joined by new outside members with complementary experience, continues to support the Executive Board in strategic matters and to monitor topics of relevance to the Company through its committees.

To return to 2016, the political and economic scene around us was marked by very significant political changes and changes in expectations, both globally and in Brazil. Events such as the British referendum decision to leave the European Union, the rebound in prices of several commodities and the US election outcome brought acute volatility and heightened uncertainty to global markets. In Brazil the year began with negative expectations regarding the level of economic activity and fiscal disequilibrium, both of which were directly linked to the domestic political situation that culminated with the impeachment of President Dilma Rousseff. Some of these expectations were confirmed, and the economic recession dragged on for a second year. However, the political transition and new economic policy improved the medium- and long-term outlook. A series of fiscal adjustment measures and structural reforms were announced with the aim of addressing the imbalances and restoring confidence in the business sector and among consumers and financial markets.

Despite the continuing recession, these changes had a direct impact on the performance of the equity market (Bovespa segment), which displayed gains in both turnover and market capitalization of listed companies. In the case of derivatives (BM&F segment), the increase in volume was neutralized by a fall in the average price charged by the Company, especially owing to significant changes in the mix of contracts traded. For example, there was a rise in the share of mini contracts, which are priced below average. Nevertheless, net revenue rose 4.7% compared with 2015, demonstrating the resilience of our business even in an adverse environment.

We continued to focus on executing our strategic plan. We proceeded with the development and testing required to implement the new BM&FBOVESPA Clearinghouse and CORE risk model in the equity market, a transformational project for the Company that should be completed in 2017. We advanced in the process of reviewing the special listing segments, Novo Mercado and Corporate Governance Level 2, which seeks to enhance the governance practices required from listed companies, and hence assure the competitiveness of the Brazilian equity market and its attractiveness to local and international investors. We also continued to seize opportunities for cooperation and development as part of our strategy for expansion in Latin America by investing in minority holdings and building long-term relationships with exchanges in the region.

In 2016, we also proceeded with our projects to promote responsible investment toward genuinely sustainable development. It is worth recalling that we were the first exchange in the world to sign up to the UN Global Compact in 2004.

Finally, we reaffirm our commitment to the execution of our strategic plan via the merger with CETIP, investment in projects, and product, commercial and risk management initiatives. This will enable us to capture growth opportunities, strengthen relationships with customers, regulators and market participants, and contribute to the development of the Brazilian markets in order to generate growing value for our shareholders in the long term.



Pedro Parente
Chair, Board of Directors

Summary

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3. Strategy and Analysis



4. Social Investment and Environmental Management



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GRI Content Index

Financial Statements

1.

About this Report

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This report presents information on the management and performance of our main activities, products and services, as well as topics we consider material to our business and to our stakeholders.



Year after year BM&FBOVESPA seeks to enhance the construction of its annual report. This is the eighth consecutive annual report to follow the guidelines of the Global Reporting Initiative (GRI). The 2016 edition is based on GRI G4, “in accordance” with the Core option. ^{G4-30/ G4-32}

The report addresses the aspects that create shared value in the short, medium and long term for the company’s key stakeholders: shareholders, investors, issuers, market participants (banks, brokerage houses, custody agents and clearing agents), regulators (CVM, the Brazilian Securities and Exchange Commission; and BCB, the Central Bank of Brazil), employees, and suppliers (especially of technology). ^{G4-24}

In this direction, the Materiality Matrix structured in 2015 spotlights six drivers deemed most relevant for the company and its stakeholders: technological and operational excellence; risk management, self-regulation and market supervision; governance practices; development of markets, products and services; financial solidity; and people management. ^{G4-27}

These pillars were defined by consultations with several of the company’s departments (Investor Relations; Media Relations, Sustainability & Communications; HR; Internal Controls, Compliance & Corporate Risk; and Finance) and with key stakeholders including customers, analysts and market participants. These sources were fundamental to correlate the indicators and produce the contents of this publication. ^{G4-18}

BM&FBOVESPA also engages continuously with stakeholders through its strategic areas and relationship channels, including the Ombudsman, whose report includes representative samples of the main suggestions and complaints received, always seeking to improve services and appraise their impact on the activities of priority stakeholders. ^{G4-25 / G4-26}

This report details the performance of BM&FBOVESPA and its activities conducted between January 1 and December 31, 2016. The previous report was published in April 2016 and referred to the company’s results in 2015. ^{G4-28 / G4-29}

It is important to note that Ernst & Young Auditores Independentes audited the 2016 financial statements, and that no significant restatements or changes have been made compared to the 2015 financial statements. This document has not been reviewed by an outside body for external assurance. ^{G4-33}

For more information, contact Investor Relations by email at ri@bmfbovespa.com.br. ^{G4-31}

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Main stakeholders

1 CUSTOMERS



Technological and operational excellence

2 MARKET PARTICIPANTS



Risk management, self-regulation and market supervision

3 REGULATORS



Governance practices

4 SHAREHOLDERS



Development of markets, products and services

5 EMPLOYEES



Financial solidity

6 SUPPLIERS



People management

Relevant drivers

Materiality Matrix G4-18

Associated initiatives highlighted in this report

Attributes for stakeholders and Company

BM&FBOVESPA Clearinghouse
BM&FBOVESPA PUMA Trading System
BM&FBOVESPA Data Center

Availability ^(1, 2 and 3)
Resilience ^(1, 2 and 3)
Strengthening and sustainability of the business ^(all)
Growth ^(1, 2, 3 and 4)

CORE
LiNe
Risk management policies
Information security
BM&FBOVESPA Market Supervision

Security ^(1, 2, 3 and 4)
Efficiency ^(1, 2, 3 and 4)
Strengthening and sustainability of the business ^(all)

Code of Conduct
Policies on conflicts of interest
Ombudsman

Security ^(1, 2, 3 and 4)
Strengthening and sustainability of the business ^(all)

Market makers
Tesouro Direto
ETFs (equities and fixed income)
Derivatives (ID x IPCA Spread Futures Contract – DAP)
Listing segments
Incentivizing technical knowledge and financial education

Customer focus ^(1, 2, 3 and 4)
Quality of service ^(1, 2, 3 and 4)
Strengthening and sustainability of the business ^(all)
Growth ^(1, 2, 3 and 4)

Investment
Budgetary discipline
Revenue diversification
Financial leverage
Capital allocation
Shareholder return

Efficiency ^(1, 2, 3 and 4)
Strengthening and sustainability of the business ^(all)
Growth ^(1, 2, 3 and 4)

Recognizing and valuing merit
Remuneration and benefits policy
Professional development
Retaining and attracting talent

Quality of service ^(1, 2, 3, 4 and 5)
Strengthening and sustainability of the business ^(all)
Growth ^(1, 2, 3 and 4)

Material aspects and their impacts inside and outside the organization

Relevant drivers	Material aspects (G4-19)	Indicators	Location of impact	
			Inside (G4-20)	Outside (G4-21)
Technological and operational excellence	Customer privacy	G4-PR8	x	x
Risk management, self-regulation and market supervision	Economic performance	G4-EC2	x	x
Governance practices	Compliance*	G4-EN29	x	x
	Environmental grievance mechanisms*	G4-EN34	x	x
	Labor practices grievance mechanisms	G4-LA16	x	x
	Human rights grievance mechanisms	G4-HR12	x	x
	Compliance	G4-SO8	x	x
	Anti-corruption	G4-SO4	x	x
		G4-SO5	x	x
	Grievance mechanisms for impacts on society*	G4-SO11	x	x
Compliance	G4-PR9	x	x	
Development of markets, products and services	Indirect economic impacts	G4-EC7	x	x
		G4-EC8	x	x
	Products and services	G4-EN27	x	x
	Supplier environmental assessment*	G4-EN32	x	x
	Supplier assessment for labor practices	G4-LA14	x	x
		G4-LA15	x	x
	Supplier human rights assessment	G4-HR10	x	x
	Local communities	G4-SO1	x	x
	Supplier assessment for impacts on society	G4-SO9	x	x
		G4-SO10	x	x
Product and service labeling	G4-PR5	x	x	
Financial solidity	Economic performance	G4-EC1	x	x
	Overall*	G4-EN31	x	

Relevant drivers	Material aspects (G4-19)	Indicators	Location of impact	
			Inside (G4-20)	Outside (G4-21)
People management	Economic performance	G4-EC3	x	x
	Market presence	G4-EC5	x	
	Employment	G4-LA1	x	
		G4-LA2	x	
	Occupational health and safety	G4-LA5	x	
		G4-LA7	x	
		G4-LA8	x	
	Training and education	G4-LA9	x	
		G4-LA11	x	
	Diversity and equal opportunity	G4-LA12	x	
	Equal remuneration for women and men	G4-LA13	x	
	Investment*	G4-HR2	x	
	Non-discrimination	G4-HR3	x	
	Freedom of association and collective bargaining*	G4-HR4	x	
	Child labor*	G4-HR5	x	x
	Forced or slave labor *	G4-HR6	x	x
Security practices*	G4-HR7	x		

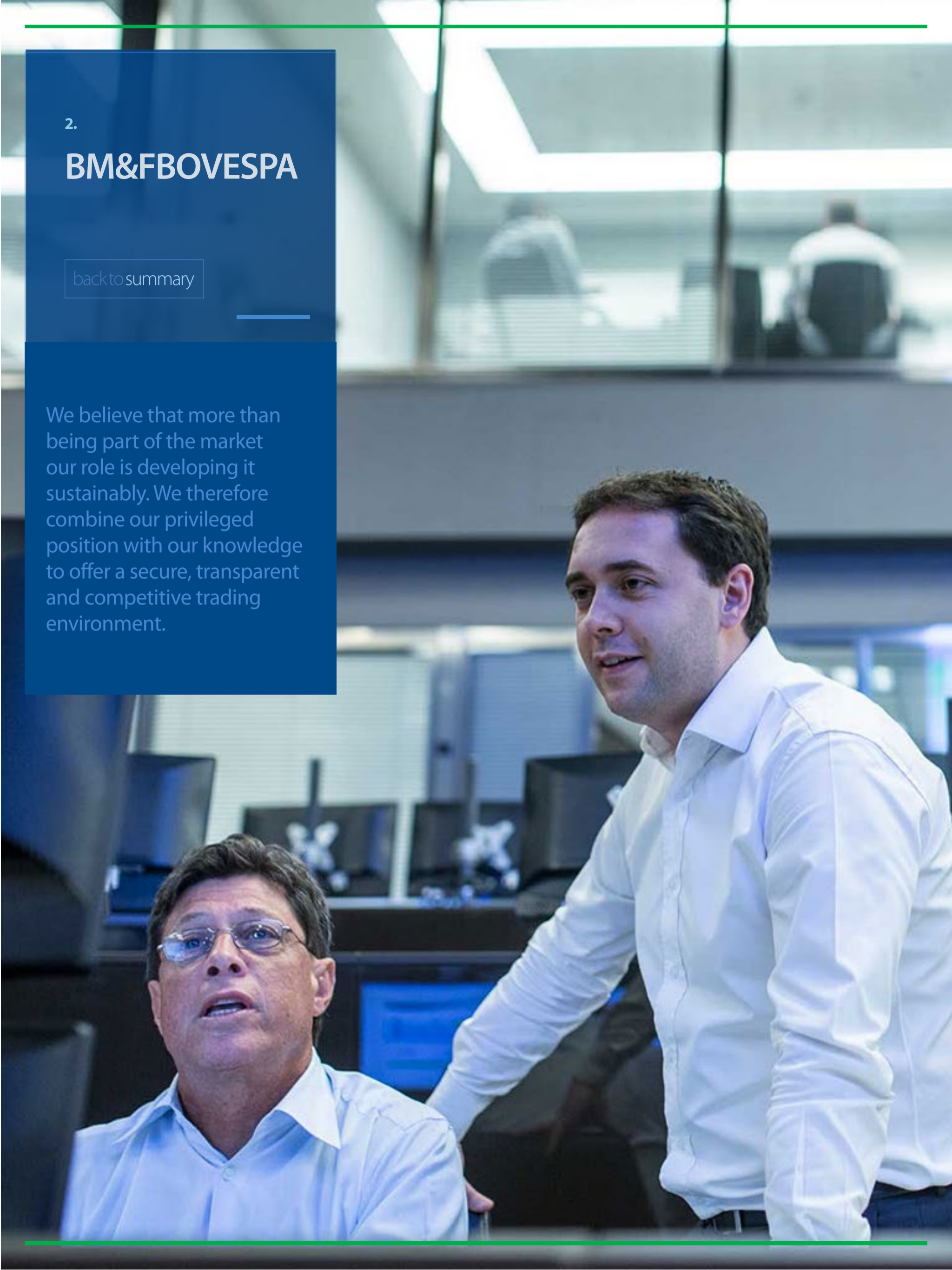
*These aspects were material, but BM&FBOVESPA did not report this information due to the nature of its performance and the non-monitoring of some of this information.

2.

BM&FBOVESPA

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We believe that more than being part of the market our role is developing it sustainably. We therefore combine our privileged position with our knowledge to offer a secure, transparent and competitive trading environment.



2.1 Who we are

BM&FBOVESPA – Bolsa de Valores, Mercadorias e Futuros S.A. is one of the leaders of the world exchange industry. ^{G4-3 / G4-7 / G4-9}

It manages organized exchange and over-the-counter markets, offering trading, clearing and settlement systems for all the main asset classes, from stocks and bonds to currencies and financial and commodity derivatives, and acting as central counterparty to guarantee the transactions performed in its environments. ^{G4-4 / G4-8}

It is also part of the company's scope to provide a platform for registration of over-the-counter transactions, act as a central securities depository (CSD), operate listing services for issuers of securities, and license indices, software and market data, among other activities. ^{G4-8}

Its vertically integrated business model offers customers and participants the infrastructure necessary to process transactions performed in the exchange and over-the-counter markets through all stages of trading and post-trading (clearing, settlement and CSD) to the final beneficiary owner.

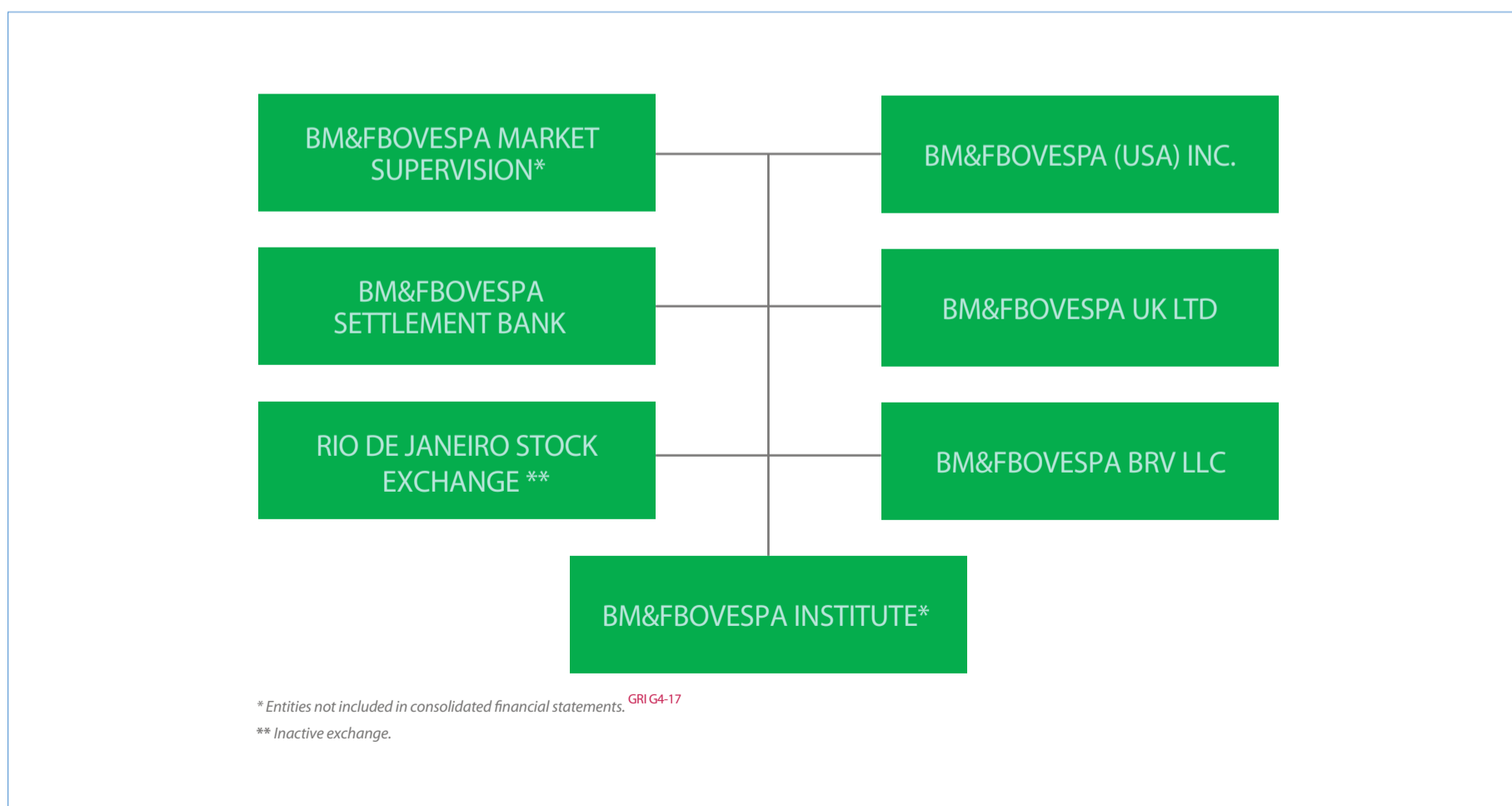
BM&FBOVESPA is a public company listed under ticker symbol BVMF3 on the Novo Mercado premium listing segment for companies committed to the highest standards of corporate governance. Its stock is tracked by the Ibovespa, IBrX-50, IBrX, ITAG and ICO2 indices, among others. ^{G4-7 / G4-9}

At end-2016, BM&FBOVESPA's market value was R\$29.948 million. There were no material changes in its size, structure or equity ownership during the year. ^{G4-9 / G4-10}

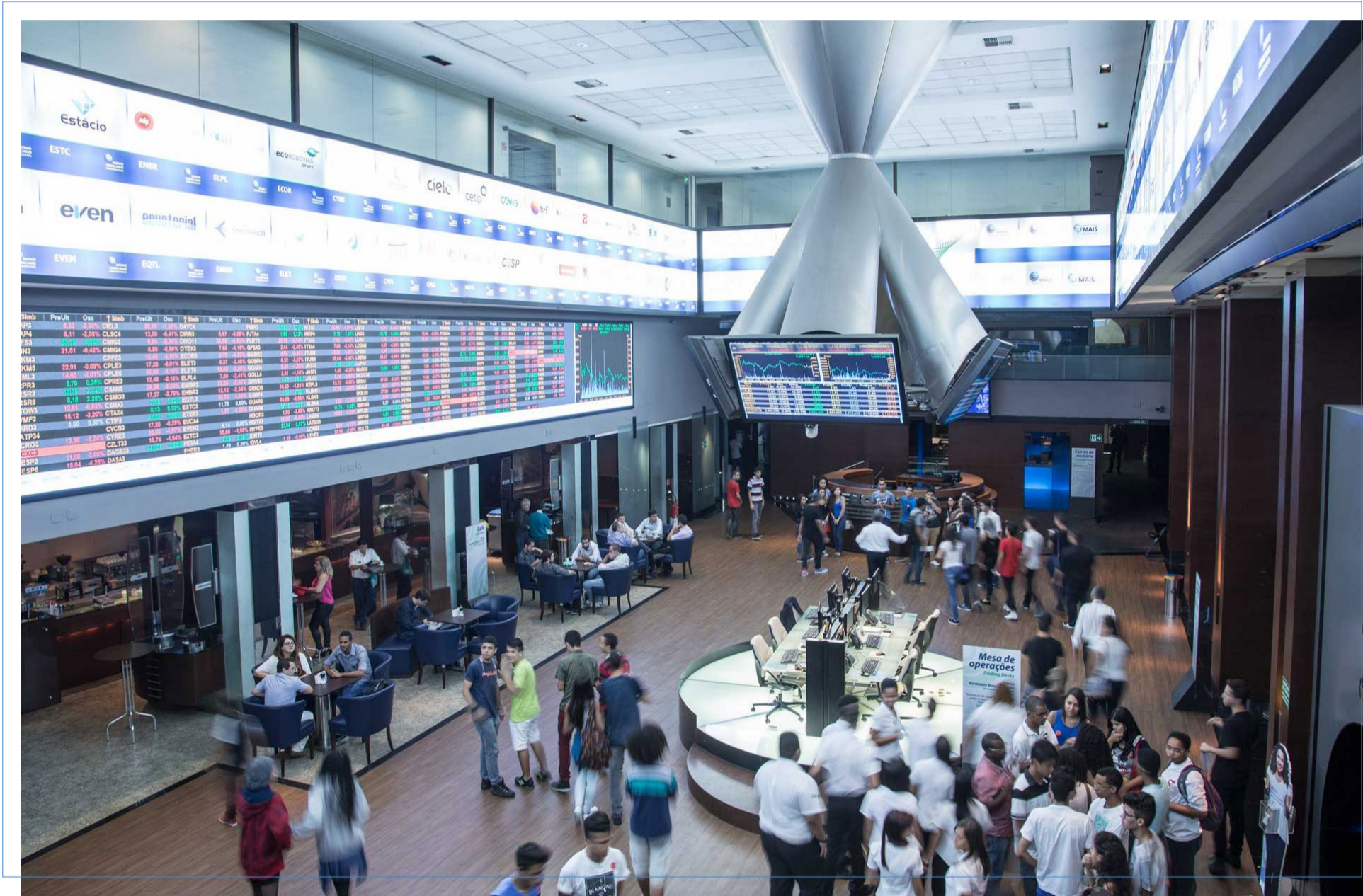
In 2016, the company had 1,338 employees (395 women and 943 men) and 63 interns (25 women and 38 men). ^{G4-9 / G4-13}

Group companies

BM&FBOVESPA Market Supervision (BSM), BM&FBOVESPA Settlement Bank, and BM&FBOVESPA Institute are part of the company's structure.



The company is headquartered in São Paulo, Brazil, and has representative offices in New York (USA), London (UK) and Shanghai (China) to support local market participants in activities with foreign customers and relations with regulators, and to disseminate its products and governance practices to potential investors. [G4-5/G4-6/G4-9](#)



A famous tourist attraction in central São Paulo, the Raymundo Magliano Filho Visitors' Center celebrated its 10th year, having received 1 million visitors since opening in 2006.

BM&FBOVESPA seeks strategic opportunities in Brazil and abroad with the aim of creating additional shareholder value.

In this context, it is important to note that in May 2016 the shareholders of BM&FBOVESPA and CETIP approved a merger of the two companies. The combination of their operations will extend the portfolio of products and services offered by the Exchange, enhancing its value proposition to customers and market participants, and strengthening its position as a result.

In 2016, acquisition of equity interests in Latin American exchanges strengthened BM&FBOVESPA's internationalization strategy. It acquired a 9.9% stake in Bolsa de Valores de Colombia (BVC), investing R\$44 million, and increased its holding in Bolsa de Comercio de Santiago (BSC) to 10.4%, totaling R\$52 million. It also has a 4.1% share in Bolsa Mexicana de Valores (BMV), in which it has invested R\$136 million.

Institutional representation and participation G4-15 / G4-16

BM&FBOVESPA is a member, affiliate and/or signatory of several economic, environmental and social institutions, such as:

- Member, GRI Focal Point Brazil Advisory Group; CDP Driving Sustainable Economies; IBGC Sustainability Research Group; World Federation of Exchanges Sustainability Working Group (WFE/SWG), where it is one of the two vice-chairs; Brazilian Global Compact Committee, with a place on the Board; Social Responsibility & Sustainability Committee and Intrasector Sustainability & Environment Committee of FEBRABAN (Federation of Brazilian Banks).
- World's first exchange to sign UN Global Compact; founding signatory of UN's Sustainable Stock Exchanges (SSE) initiative; member, Principles for Responsible Investment (UNPRI).

BM&FBOVESPA also participates in a number of other organizations, as a member or contributor to committees and projects, such as the Ibero-American Federation of Exchanges (FIAB), the Futures Industry Association (FIA), the World Federation of Exchanges (WFE), and the International Organization of Securities Commissions (IOSCO).



Recognition and awards 2016

FOW International Awards

BM&FBOVESPA once again won the FOW Exchange of the Year South America award from the magazine Futures & Options World, for technological innovation in the development of its clearinghouse and trading platforms.

AMEC Corporate Event Award

The proposed combination of BM&FBOVESPA's and CETIP's operations won the 2016 AMEC Corporate Events Award. AMEC is the Brazilian Association of Capital Market Investors. The award affords public encouragement to companies that adhere to best practice in corporate governance by highlighting and publicizing a corporate event considered exemplary by AMEC's members.



Most Value Produced

BM&FBOVESPA ranked very highly in the fourth edition of Most Value Produced (MVP), a survey by DOM Strategy Partners:

- One of the top five companies by Most Value Produced in the category Credibility – Transparency.
- One of the ten most valuable companies in terms of reputation and image strength.
- Nº 3 in the rank order of companies that produce most value for society.

Leading Company in Corporate Governance – ALAS20

In 2016, BM&FBOVESPA won the Leading Company in Corporate Governance Award in the Agenda 2020 Sustainable Leadership (ALAS20) initiative, run by GovernArt to recognize excellence in public disclosure of information on sustainability, corporate governance and responsible investment practices in Brazil, Chile, Colombia, Mexico and Peru.

IMF recognition

A report issued by the International Monetary Fund in September 2016 praised BM&FBOVESPA for its groundbreaking innovation in creating Novo Mercado and noted the important changes brought about by this listing segment in the stock market, such as protection for minority shareholders.



Transparency Trophy

For the eighth consecutive year, BM&FBOVESPA received award in the category Public Companies with Net Revenue of up to R\$5 billion. The award recognizes the companies with the most transparent financial statements in Brazil.

Local SDG Pioneers

The Managing Director of Media Relations, Sustainability & Communications, Sonia Favaretto, was honored as one of the United Nations Global Compact's ten Local SDG Pioneers in 2016, especially for her efforts relating to Sustainable Development Goal (SDG) 8 on Decent Work and Economic Growth, and the insertion of the ODS in the BVSA and the ISE.



2.2 Management of the Company ^{G4-34 / G4-35}

BM&FBOVESPA's governance structure consists of the General Meeting of Shareholders, the highest governing body; and the Board of Directors and Executive Board, with their respective advisory committees.

Board of Directors and Executive Board

The members of BM&FBOVESPA's Board of Directors are elected by the General Meeting of Shareholders. The Board has up to 11 members, most of whom are independent. All members serve concurrent two-year terms and can be re-elected. ^{G4-38}

The Board's responsibilities include setting strategies, policies and targets, and supervising internal control systems, especially with regard to risk management and the analysis of impacts, risks and opportunities deriving from economic, environmental and social issues. Meetings are usually held every month but can be convened whenever necessary. In 2016 it met 19 times. ^{G4-42 / G4-47}

Appointed by the Board of Directors, the Executive Board has six members: the Chief Executive Officer (CEO), the Chief Financial, Corporate & IR Officer (CFO), the Chief Operating Officer (COO), the Chief Information Officer (CIO) and co-CIO, and the Chief Product & Customer Officer (CPO). The members of the Executive Board serve a two-year term and can be re-appointed. ^{G4-36}

The duties of the Executive Board are to manage the company's day-to-day business operations, propose annual and multi-year budgets, strategic plans, expansion projects and investment programs, and establish guidelines for the company's operational, socio-economic and sustainability-related activities. ^{G4-36 / G4-42}

More information on the Board of Directors, Executive Board and committees can be found on the IR website at bmfbovespa.com.br/ir.

Each year, with the support of the Corporate Governance & Nomination Committee, the Chairman of the Board conducts a structured formal assessment of the Board of Directors as a body and of each individual board member covering specific points such as decision making, organization of meetings, motivation and alignment of interests, among others. The consolidated results are discussed to establish plans for any improvements required. ^{G4-44}

Executive Board members are also evaluated in terms of annual targets aligned with the company's strategic planning. Individual performance assessments and scores are submitted to and ratified by the Board of Directors. ^{G4-44}

Highly qualified members of the Board of Directors with multidisciplinary knowledge assure the alignment of management with the company's strategic goals and valorization of the business for shareholders.

In accordance with the company's Remuneration & Benefits Policy, the members of the Board of Directors receive monthly fixed remuneration. The Chairman also receives semiannual fixed remuneration. In addition, all board members receive company stock as a long-term incentive. ^{G4-51 / G4-52}

More information on the process adopted to determine remuneration is available in the Reference Form (bmfbovespa.com.br/ir).

The Executive Board's total compensation consists of fixed and variable components as well as long-term incentives, including a monthly salary, a benefit package, semiannual variable payments distributed under the company's profit-sharing program (PLR), and grants of company stock in accordance with the stock award plan on the basis of performance measured against indicators of the company's overall results as well as individual performance assessments. ^{G4-51 / G4-52}

Board of Directors **G4-38**



- | | | | |
|---|----------------------------------|----|--------------------------------|
| 1 | Pedro Pullen Parente | 7 | Luiz Nelson Guedes de Carvalho |
| 2 | Claudio Luiz da Silva Haddad* | 8 | Denise Pauli Pavarina |
| 3 | Antonio Carlos Quintella | 9 | Eduardo Mazzilli de Vassimon |
| 4 | Laércio José de Lucena Cosentino | 10 | José Berenguer Neto |
| 5 | Luiz Antônio de Sampaio Campos | 11 | Charles P. Carey* |
| 6 | Luiz Fernando Figueiredo | | |

**They left the Company in 2017.*

Executive Board



- 1 **Edemir Pinto***
Chief Executive Officer
- 2 **Daniel Sonder**
Chief Financial, Corporate & IR Officer
- 3 **Cícero Augusto Vieira Neto**
Chief Operating Officer
- 4 **Rodrigo Nardoni**
Chief Information Officer
- 5 **Luís Otávio Saliba Furtado***
Co-Chief Information Officer
- 6 **José Ribeiro de Andrade**
Chief Product & Customer Officer



*They left the Company in 2017.

2.3 Advisory Committees to the Board of Directors ^{G4-38}

The Board of Directors is empowered to appoint the members of its Advisory Committees for a two-year term.

The committees' duties and composition are shown below.

Audit Committee

Six members: two independent members of the Board of Directors and four outsiders. Evaluates and approves the structure of internal controls and the internal and independent auditing processes. Examines the financial statements and quarterly financial reports.

Corporate Governance & Nomination Committee

Three independent members of the Board of Directors. Safeguards the credibility and legitimacy of the company's actions and those of its subsidiaries. Selects and nominates candidates to the Board of Directors and Executive Board.

Compensation Committee

Three members of the Board of Directors, two of them independent. Reviews, proposes and oversees adjustments to the company's parameters, guidelines and Remuneration & Benefits Policy as well as remuneration of the Board of Directors and Executive Board. ^{G4-52}

Financial & Risk Committee

Four members of the Board of Directors. Analyzes and assesses market, liquidity, credit and systemic risks in the markets managed by the company, with a strategic and structural focus. Assesses the company's financial position and capital structure.

Securities Intermediation Industry Committee

Nine members. Evaluates problems affecting the institutions that participate in the markets managed by the company and submits suggestions to the Board of Directors to contribute to the strengthening of these institutions.

Issuer Regulation Committee

Three members who are not directors or officers of any other publicly held companies. Oversees the activities of the Department of Issuer Regulation.

IT Committee

Eight members: two Board members and six external members. Tracking and analyzing new technologies that represent opportunities as well as potential impacts on the company's business.

2.4 Advisory Committees to the CEO

A number of committees that advise and assist the Chief Executive Officer are also part of the company's structure. Furthermore, to keep an open channel for market participants, investors and other companies, BM&FBOVESPA has several sectoral committees that play an important role in this dialogue.

These advisory and sectoral committees are as follows.

Advisory Committees

Corporate Risk; Market Risk; Credit Risk; Sustainability; Business Continuity; Products & Pricing; Indices; Information Security Management; Anti Money Laundering & Concealment of Property; Operational Qualification Program (PQO) Certification.

Sectoral Committees

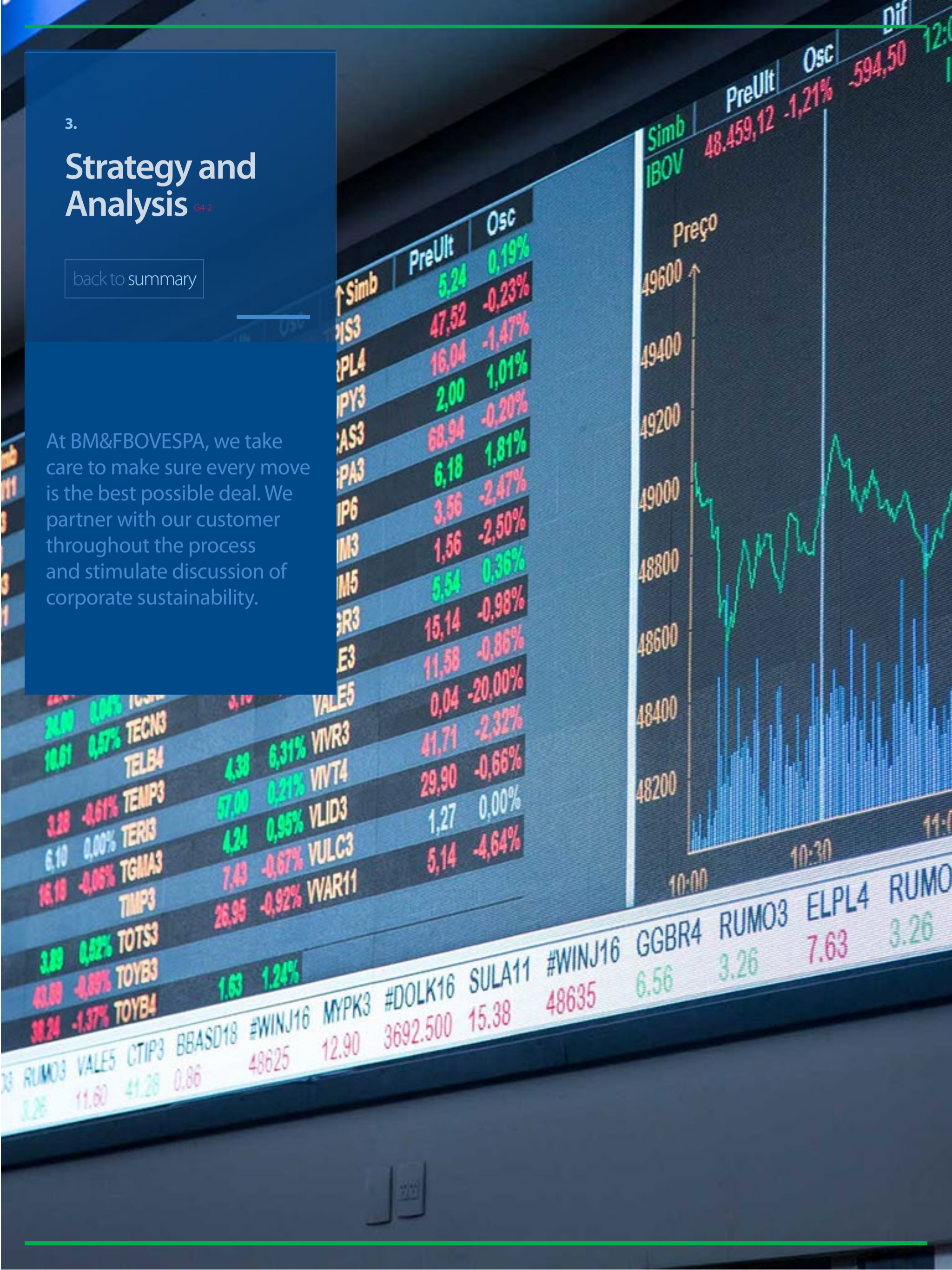
Risk Analysis; Equities; Fixed Income, Foreign Exchange & Derivatives; Listing; Governance of State-Owned Enterprises; Real Estate; Rules & Market Supervision; Operations; Post-Trading; Sugar & Ethanol; Live Cattle; Coffee; Soybeans; Corn.

3.

Strategy and Analysis G4-2

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At BM&FBOVESPA, we take care to make sure every move is the best possible deal. We partner with our customer throughout the process and stimulate discussion of corporate sustainability.



BM&FBOVESPA is a global reference in exchange operations. Recognized worldwide for risk management, and for excellence in operational and technological infrastructure and service delivery, the Company reaffirms its vision of positioning the capital markets as one of the main alternatives for companies and investors in Brazil to raise and allocate funds, and of promoting the importance and presence of derivatives as hedging instruments.

In accordance with this vision, constant dialogue with the Company's different stakeholders and the development of innovative and efficient solutions are values intrinsic to BM&FBOVESPA's activities.

The core values that play a key role in the company's business strategy and decision making processes, thanks to a corporate governance structure that stimulates discussion of sustainability internally and externally in various ways, as established by its [Sustainability Policy](#).

Among other initiatives that have a positive impact on society and businesses generally, include the Corporate Sustainability Index (ISE) – a reference in sustainable management practices in Brazil and the world – and the Socio-Environmental Investment Exchange (BVSA), a groundbreaking initiative adopted as a Case Study by the United Nations Global Compact and recommended for all exchanges worldwide.

Thus BM&FBOVESPA believes its competitive differentiators derive largely from its innovative potential, which is strongly rooted in the professional capacity of its team, as well as investment in technologies and products that enable it to create and seize new opportunities, increase and diversify revenue, reaffirm its role as a self-regulatory organization and inducer of good practices, and implement positive changes for its stakeholders.

The key drivers of the Company's performance and development are detailed below.



3.1 Technological and operational excellence

Post-trading is acknowledged to be one of the strengths of BM&FBOVESPA's business model. In 2016, the company redoubled its efforts to bring to fruition the unification of its clearinghouses, a major technology infrastructure project that will consolidate all of its key infrastructures and processes while extending to the equity market the benefits of CORE (Closeout Risk Evaluation), its highly efficient risk management system, already available in the financial and commodity derivatives market.

Implementation of the BM&FBOVESPA Clearinghouse has been under way since 2012. The project entails the staggered transfer of the operations performed by four clearinghouses (derivatives, equities and corporate bonds, foreign exchange, and government bonds) to a new unified structure.

The Derivatives Clearinghouse was the first to migrate, in 2014. The rest remained in their original structures. Completion of the second phase, which will integrate the Equities & Corporate Bonds Clearinghouse, is scheduled to take place in 2017, depending on the results of tests and on regulatory approvals.

The Company's two largest market segments will have a new state-of-the-art platform with sufficient processing capacity to support future market growth.

With the conclusion of this strategic project BM&FBOVESPA will reach a new level of operational excellence and will be strongly positioned to continue meeting the needs of customers and participants.

**BM&FBOVESPA Clearinghouse:
for the market, more security
and efficiency; for the world, an
innovative project.**



The BM&FBOVESPA PUMA Trading System, an electronic platform implemented in 2011, has steadily set new records in volume terms with no delays or downtime even during high volatility episodes. The Company's investment in this platform puts it in a privileged position to satisfy market growth expectations.

Strategically located in Santana do Parnaíba, São Paulo State, near São Paulo City but far from its traffic congestion and similar urban problems, the BM&FBOVESPA Data Center is equipped with cutting-edge technology including advanced generators and next-generation uninterruptible power supplies (UPSs), as well as a substantial supply of telecommunications resources. The facility features a restricted, controlled environment with 72 hours operational autonomy without resupply, and a monitoring and image recording system. 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.



Façade of the BM&FBOVESPA Data Center building

It is also part of the Company's strategy to seek new technologies and analyze how they can enhance its business model.

The IT Committee added by the Board of Directors to its advisory bodies in 2016 assesses new technologies, supports the analysis of their feasibility, and tracks indicators that measure customers' perceptions of BM&FBOVESPA's IT services.

In pursuing innovations from the standpoint of business and IT infrastructure, the Company joined the consortium established by R3 to develop solutions based on distributed ledger technology (DLT), a platform inspired by the blockchain concept of tamper-proof databases and applicable to global financial markets.



BM&FBOVESPA Operations Center

3.2 Risk management, self-regulation and market supervision

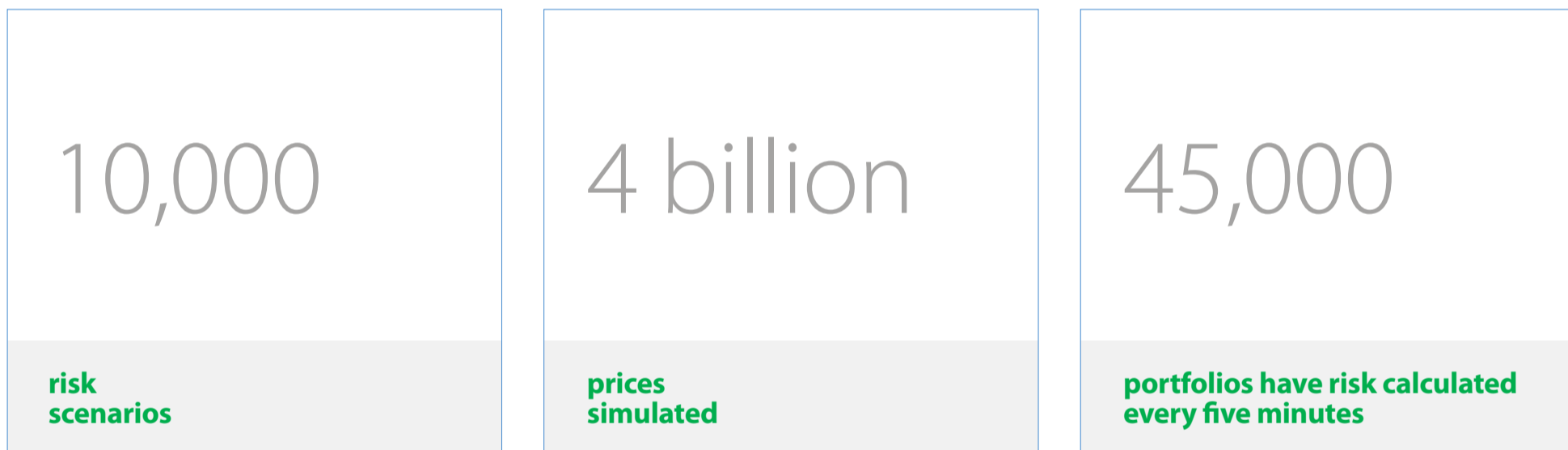
The Company continuously seeks excellence in risk management and collateral management, given its role as a central counterparty (CCP) whereby to guarantee the settlement of transactions performed in its exchange environment it intermediates between the parties, acting as buyer to all sellers and seller to all buyers.

To manage the risks inherent in this function, the CCP focuses on calculating, controlling and mitigating the credit risk posed by participants and customers. Pre-trade risk monitoring is performed using a tool called LiNe (short for Limite de Negociação, “trading limit”).

BM&FBOVESPA has also developed its own integrated risk calculation system called CORE (Closeout Risk Evaluation), which performs billions of calculations to determine the amount of collateral that must be posted according to each investor’s open position and risk parameters entered into the system.

In the event of default, the CCP’s safeguard structure, which includes specific settlement funds and part of the Company’s own equity as well as the collateral posted by customers and participants, can be used to cover losses relating to settlement failure.

CORE numbers



Management of corporate and operational risks – The Company’s routine practices also include constant analysis of the risks to which it is exposed or that may affect its business activities. Management of these risks is based on the Corporate Risk and Operational Risk Management Policies, which establish principles, guidelines and responsibilities for the process.

Compliance with these policies is assured by a corporate risk management methodology that aligns the Company’s strategic objectives (“tone at the top”) with its risk appetite and tolerance.

This methodology calls for a combination of top-down and bottom-up approaches to the identification, evaluation, treatment, monitoring and communication of strategic, operational, financial and regulatory risks.

Top-down

The top-down approach identifies the main risks affecting the company by means of historical events, interviews with board members and executives, and references from other exchanges and financial market infrastructures. Once identified, the risks are evaluated against the risk appetite criteria approved by the Board of Directors.

Bottom-up

The bottom-up approach creates a risk profile based on the analysis of processes, as a tool for the identification of operational risks and classification metrics, which can then be responded to and continuously monitored using indicators.

The results of this monitoring and the evolution of the risks concerned are documented in monthly and semiannual reports for the Board of Directors and its Audit and Financial & Risk Committees, as well as the Corporate Risk Committee that advises the CEO. The latter committee, which comprises more than half the Company's executives, preventively monitors the operational, strategic, financial and regulatory risks that make up BM&FBOVESPA's corporate risk profile. In 2016 it held 12 regular meetings and was convened once on an extraordinary basis. [G4-14 / G4-45 / G4-46 / G4-47](#)

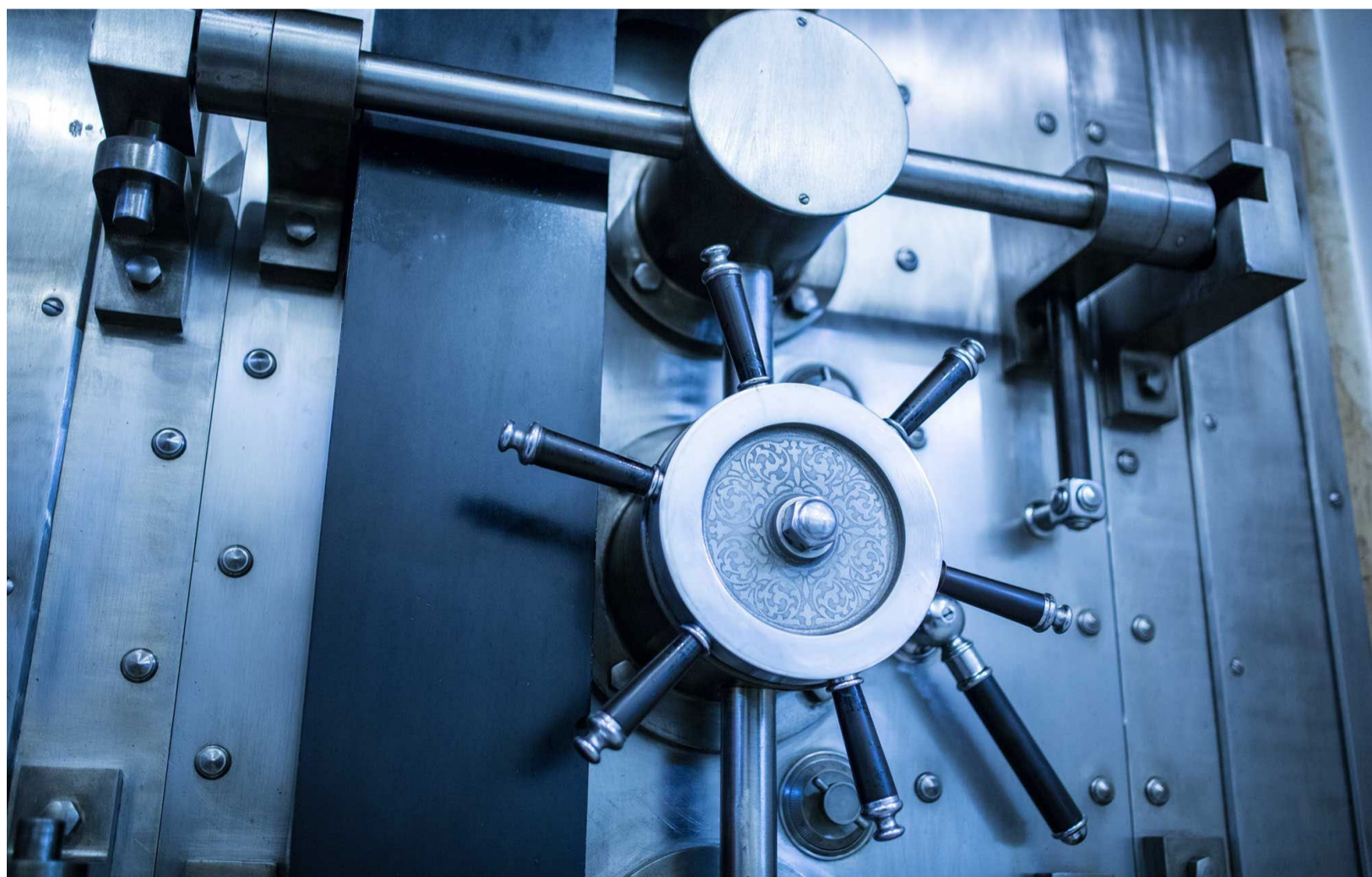
Another aspect of BM&FBOVESPA's corporate and operational risk management is that the Company is unremittingly concerned to guarantee information security both internally and externally, ensuring that everyone with authorized access to the company's information, systems and/or technological environments protects, preserves and assures data confidentiality, availability and integrity, and that potential vulnerabilities and threats are identified, assessed, treated, monitored and disclosed.

In addition to these controls, in the social and environmental agenda, since 2009 the company has answered the annual [questionnaire](#) of the Climate Change Program run by CDP (Driving Sustainable Economies). It keeps a close watch on domestic and international laws and agreements linked to mandatory carbon emission reduction targets and product offerings relating to climate change. The main agricultural commodities traded on the Exchange are susceptible to physical events, but regulatory risk and the risks relating to climate uncertainties are considered indirect and hard to quantify. [G4-14 / G4-EC2](#)

Self-regulation and market supervision – The Company's total commitment to risk control is also evidenced by its constant investment in self-regulation and supervision.

BM&FBOVESPA Market Supervision (BSM), an independent organization that acts as an ancillary arm of the Brazilian Securities and Exchange Commission (CVM), enforces compliance with the applicable laws and regulatory requirements by everyone authorized to trade in the company's markets, reports any instances of non-compliance, and verifies the measures taken to remedy them.

In 2016, BSM undertook several initiatives to strengthen and enhance the instruments of securities market regulation and self-regulation, including publication of a new version of its Procedural Rulebook.



3.3 Governance practices

BM&FBOVESPA's corporate governance model is deeply committed to best practice in order to maintain the integrity of its business and assure professionalism in all of its activities. To guarantee continuous improvement, this structure is a permanent item on its agenda for strategic discussions.

The main features of BM&FBOVESPA's corporate governance structure are as follows:

- An active Board of Directors with broad knowledge of the Company's business and the markets in which it operates; and advisory committees with clearly defined roles, especially the Corporate Governance & Nomination, Audit and Financial & Risk Committees.
- Advisory committees to the CEO to ensure that matters of material importance to the company are treated in depth and in compliance with specific rules and regulations; and sectoral committees providing an important channel for communication with investors, market participants and other companies.
- An organizational structure with a Department of Internal Controls, Compliance & Corporate Risk and a Department of Internal Auditing that report not just to the CEO but also to the Board's advisory committees.
- Corporate bylaws, codes, policies and rules forming its governance framework.

The company maintains a flow of investment in people, infrastructure and technological solutions to implement best practices in internal controls, process management, corporate risk mitigation, financial models, compliance, information security and business continuity.

Furthermore, it maintains governance practices designed to assure correctly applied internal controls, to control systems and procedures, to prevent improper conduct, and to encourage the objective disclosure of material information so that the expectations and needs of its key stakeholders are met.

Conflicts of interest – The Policy on Related Party Transactions and Other Conflict of Interest Situations, aligned with the requirements of Law 6404/1976, establishes rules to ensure that all decisions are taken with a view to the interests of BM&FBOVESPA and its shareholders. ^{G4-41}

Any instances of non-compliance are submitted to the Corporate Governance & Nomination Committee, which may propose remedial action for analysis by the Board of Directors. ^{G4-41}

The members of the Board of Directors and all officers and other executives of the company and its subsidiaries and affiliates also sign an undertaking to abide by the Disclosure & Securities Trading Policy.

- **Most board members are independent. All have an excellent reputation and recognized experience in the market.**
- **The Board's advisory committees have clearly defined scopes of work.**
- **Policy on Related Party Transactions and Other Conflict of Interest Situations.**
- **Code of Conduct to which all executives, employees, interns, suppliers and business partners in Brazil and abroad must sign up**

The company does not tolerate any practices designed to conceal or dissimulate the origin, location or movement of assets, rights and other property. Any suspicious transaction in this respect is reported to the Anti Money Laundering & Concealment of Property Committee, one of the advisory committees to the CEO. ^{G4-58}

BM&FBOVESPA also offers channels for reporting unethical behavior or conduct incompatible with the law for use by its professionals, business partners and other stakeholders. The confidentiality of all personal information furnished is guaranteed, whatever the mechanism used.

In 2016, most of the complaints made via the available channels (Direct Line, Code of Conduct Channel and Audit Committee Channel) involved possible moral harassment, discriminatory practices, suspected fraud, and the soliciting or securing of undue advantages. All messages were analyzed and responded. ^{G4-57 / G4-58}

Code of Conduct – In addition to stating the company's values, principles and standards, the Code of Conduct offers guidance on personal and professional conduct, and on relationships with suppliers and partners, among other items, to ensure the adoption of best practices and avoid the occurrence of unlawful actions. ^{G4-56}

Among the channels available for communication with stakeholders, the Company offers the email address codigodeconduta@bvmf.com.br. Internal Controls, Compliance & Corporate Risk monitors emails daily and takes the appropriate steps to forward any complaints to the Code of Conduct Committee. This committee is responsible for analyzing queries and complaints, and for taking action on proven infringements. ^{G4-57 / G4-58}

In 2016, the Code of Conduct channel received 217 messages, many of which asked questions about the rules on insider trading, acceptance of gifts and participation in events sponsored by other companies. ^{G4-57 / G4-58}

The Code of Conduct applies to BM&FBOVESPA and its subsidiaries, and is available with other policies on the IR website, in Corporate Governance Bylaws, Codes and Policies. ^{G4-56}

Ombudsman – The Ombudsman is BM&FBOVESPA's channel for permanent communication with external stakeholders: investors, market participants, listed companies, public and private institutions, regulators, suppliers and the media. ^{G4-26 / G4-57 / G4-58}

The Ombudsman is responsible for analyzing and formally treating all the suggestions and complaints it receives by phone or contact form via BM&FBOVESPA's website, for responding conclusively, and for proposing corrective measures or improvements to procedures and routines. This channel is the next instance up from the general helpline (SAP) on +55 11 3272 7373.

In 2016 the Ombudsman received 600 complaints, 80% of which were against market participants (brokerage houses), 7% against BM&FBOVESPA, 12% against banks, and 1% against issuers. It analyzed and responded to every single complaint. A breakdown by subject-matter shows that most complaints referred to problems with the execution of investor orders to brokerage houses (25% of the total), difficulties in transferring custody (22%), and problems with the "home broker" online trading platform (11%). ^{G4-57 / G4-58}

3.4 Development of markets, products and services

Increasing the liquidity of existing products and expanding the instrument portfolio to attract new customers are among BM&FBOVESPA's strategic commitments.

Some of the most noteworthy activities carried out in 2016 are described below.

Market makers – The Company continued expanding its market maker programs in accordance with the conviction that market makers significantly foster liquidity, assure better conditions for price formation, and reduce volatility in the equity market. It launched 18 new programs in 2016, taking the total from 27 to 55.

In November 2016, BM&FBOVESPA began accepting exclusive investment funds (Fundos Exclusivos) as market makers, increasing the number of participants that can perform this activity.

Products – Shares in the exchange-trade fund It Now Ibovespa Fundo de Índice (BOV11) were admitted for trading in 2016, taking the total number of ETFs available to 15.

The Company also invested in developing the DI x IPCA Spread Futures Contract (ticker symbol DAP), which was relaunched in 2016. Market makers for this contract began operating in May and several changes were made to the settlement price calculation methodology in response to demand from market agents.

TESOURO DIRETO

Also in 2016, several improvements were made to the Treasury Direct platform with the aim of refining the process of communication with investors, introducing new trading procedures, and automating the process for the use of government bonds purchased via Treasury Direct as collateral for trades on BM&FBOVESPA.

Special listing segments – To continue assuring the constant evolution of corporate governance standards in Brazil, in 2016 BM&FBOVESPA began discussions with regulators, listed companies, investors, market participants and other stakeholders with the aim of improving the rules for its special listing segments.

The program was divided into three stages: a public consultation, a public hearing and a closed hearing for the Novo Mercado and Level 2 segments.



The final draft of the rules will be submitted to a closed hearing in first-half 2017 for approval by the companies listed on these segments.

Inducing good practices – To intensify relationships with its various stakeholders, BM&FBOVESPA encourages good practices in transparency and management through projects and programs that contribute to advances in the socio-environmental agenda.

These include the **Report or Explain for Sustainability or Integrated Reporting initiative** (launched in 2012), recommending that listed companies voluntarily state in the Reference Form whether they disclose environmental, social and governance (ESG) information, and if so where. Companies that do not report ESG information to investors are urged to explain why not.

In 2016, CVM revised the Reference Form and, in addition to the already-established sustainability practices, **made item 7.8 exclusively about this subject**. Companies are now required to state whether they publish ESG information and explain the methodology used. They must also say whether the information is audited or assured by an independent body, and where the information can be found. Thanks to this decision, companies are now accountable to the regulator in this regard.

Incentivizing technical knowledge and financial education – As the only exchange in operation in Brazil, BM&FBOVESPA acknowledges its role in training the professionals who work in its markets and promoting projects that extend knowledge of its activities and help expand its investor base, as well as initiatives to engage, sensitize and inform stakeholders.

The Company incentivizes a range of financial education programs and projects through its Education Institute, such as participation in the National Financial Education Strategy (ENEF) and the BM&FBOVESPA Challenge, a contest for high school students from public and private schools in São Paulo State that teaches them in practical terms how the stock market works.

BM&FBOVESPA works hard to develop not just the market but society, through investment in financial education, culture, social inclusion and sports.



Students of Colégio Prisma, champion of the Challenge BM&FBOVESPA 2016

Other highlights include the MBA in Economic and Financial Information and Capital Markets for Journalists; *Resenha da Bolsa*, a publication that diffuses technical knowledge about securities markets and best practice in risk management and trading; and *New Value – Corporate Sustainability*, a guide with pointers on including sustainability in company’s day-to-day activities. In 2016 a newly-edited version was published that included socio-environmental KPIs and a version for private companies.

To drive technical knowledge and market development, the Company also promotes or participates in many events and discussion forums. The highlights in 2016 were organization of the 15th Agribusiness Outlook Seminar and support for a seminar on 40 years of Brazil’s corporation law (Lei das S.As., Law 6404/1976).



15th Agribusiness Outlook Seminar

3.5 Financial solidity

In 2016, BM&FBOVESPA continued to focus on the pursuit of efficiency. As a result, the growth of adjusted expenditure was kept in line with average inflation in the Brazilian economy. Adjusted expenditure totaled R\$653.1 million, rising 6.3% year over year.

In accordance with its commitment to continue enhancing its technology infrastructure and operating efficacy while also optimizing its risk management system, BM&FBOVESPA invested R\$223.7 million in 2016.

The Company also maintained its commitment to returning capital to shareholders by a combination of dividend distribution and repurchasing of shares without jeopardizing the robustness of its balance sheet, which is vital to the Company's role as central counterparty.

In 2016 it distributed R\$900 million to shareholders in interest on equity (JCP), which corresponded to 62.2% of recurring net income for the year.

In preparation for the business combination between BM&FBOVESPA and Cetip, in December 2016 the company raised funds to discharge financial obligations deriving from this transaction, including a three-year debenture issue worth R\$3 billion and a one-year loan of US\$125 million, increasing its indebtedness.

Gross debt amounted to R\$5.463 billion at end-2016, with long-term maturities accounting for 91.8% and short-term debt for 8.2%. The debt consists of senior unsecured notes issued abroad in July 2010, debentures, and a foreign-currency loan. The total includes principal and accrued interest.

Financial leverage will be reduced over the next three years by repayment of the debentures and loan.

Management is confident, based on the strong cash generation assured by its business model, that the Company will be able to continue distributing results to shareholders at attractive levels while at the same time reducing its indebtedness.

3.6 People management

People are considered a valuable asset by BM&FBOVESPA, which sees the development of its professionals as fundamental to a strong performance by the organization. Through training programs, and by stimulating education, assessing performance and providing feedback, it encourages everyone to be aligned with the company's organizational culture and hence to give of their best.

The assessment process, in which 100% of its employees participate (395 women and 943 men), considers planning and targets (what), and behaviors and competencies for each level and function (how). Two structured formal conversations between employee and manager take place during the year. ^{G4-LA11}

Measurement starts with self-assessment by each employee and continues with the manager's assessment, followed by alignment at meetings of the leaders in each department. The employee then receives feedback and begins drafting an individual development plan.

To align interests and retain key personnel, the Company also provides long- and short-term variable remuneration, embodied respectively in a profit-sharing program (PLR) and a stock grant program.

As part of its structured pursuit of professional development for employees, the Company also offers ample support for them to explore their potential and in exchange encourages their engagement to benefit the organization, improve their performance and gain recognition.

An important part of this process is the Leaders Day program, comprising structured training activities and optional individual development activities. The program is for executive officers, managing directors, associate directors and managers.

Activities held in 2016 to develop competencies, disseminate internal knowledge and strengthen the Company's leadership profile included motivational lectures and workshops. During the year, 200 managers took part in Leaders Days.



Speakers for the Leaders Day program: maestro João Carlos Martins; José Roberto Guimarães – coach of the Brazilian Women's Volleyball Team; and Mario Sergio Cortella – philosopher, writer and educator.



Other initiatives included a program of case studies involving an exchange of experiences between different functional areas, with practice in collective decision making; and a mentoring program in which executive officers and managing directors train to mentor a group of associate directors as they develop the competencies considered fundamental to the Company.

To accelerate the development of competencies for future leadership, managers take an online program delivered by Harvard Business School, focusing on behavioral training.

Retaining and attracting qualified professionals is also one of the company's priorities. In 2016 BM&FBOVESPA invested in activities for young talents, including a vacation internship program and a program for Brazilian undergraduates abroad.

In 2016 the Company also delivered several modalities of corporate training (in-house, online and external), which totaled 24,882.5 person-hours. ^{G4-LA9}

BM&FBOVESPA strives to maintain a climate of respect for people grounded in fundamental values and objectives in human rights, labor practices and anti-corruption, while assuring equality of opportunity.

Average hours of training per employee by gender and by employee category ^{G4-LA9}

Employee category	2016			2015		
	Total	Women	Men	Total	Women	Men
Managing director	627	95	532	264	49	215
Associate director	2,205.5	466	1,739.5	887.5	1,35	752.5
Manager	4,162.5	770	3,392.5	2,265	497	1,768
Team	16,976.5	5,756	11,220.5	12,360.5	4,514	7,846.5
Intern	911	283	628	715	273	442
Total	24,882.5	7,370	17,512.5	16,492	5,468	11,024

Average training hours

Employee category	2016			2015		
	Total	Women	Men	Total	Women	Men
Managing director	16	12	17	9	2	7
Associate director	19	21	19	11	2	9
Manager	420	15	21	15	3	11
Team	112	13	12	12	4	7
Intern	12	9	14	10	4	6
Total	14	13	14	12	4	8

Team profile ^{G4-10}

At end-2016, the Company had 1,338 employees (395 women and 943 men), 100% of whom were covered by collective bargaining agreements; and 63 interns (25 women and 38 men). The entire workforce was located in the Southeast Region. All except for interns were employed full-time and had indefinite duration employment contracts. ^{G4-11}

The lowest salary paid in 2016 corresponded to 200% of the federal minimum wage for male employees and 254% for female employees. It is important to stress that no employee or intern was paid the state minimum wage. ^{G4-EC5}



BM&FBOVESPA
Interns

Team profile ^{G4-10}

Employee category	2016	2015	2014
Managing director	31	30	30
Associate director	83	84	88
Manager	157	154	155
Team	1,067	1,055	1,084
Intern	63	69	85
Total	1,401	1,392	1,442

Contract type	2016		2015		2014	
	Women	Men	Women	Men	Women	Men
Fixed term	25	38	31	38	38	47
Permanent	395	943	395	928	401	956
Total	420	981	426	966	439	1,003

Employment type	2016		2015		2014	
	Women	Men	Women	Men	Women	Men
Full-time	395	943	395	928	401	956
Part-time	25	38	31	38	38	47
Total	420	981	426	966	439	1,003

Region	2016		2015		2014	
	Women	Men	Women	Men	Women	Men
Southeast	420	981	426	966	439	1,003

Total number and rates of new employee hires and employee turnover by age group and gender ^{G4-LA1}

Age group	2016				2015			
	New employee hires		Rate of new hires		New employee hires		Rate of new hires	
	Women	Men	Women	Men	Women	Men	Women	Men
Under 30	55	73	35%	32%	62	79	39%	36%
30-50	14	54	6%	8%	16	47	7%	7%
Over 50	0	0	0%	0%	0	1	0%	1%

Age group	2016				2015			
	Employee separations		Turnover		Employee separations		Turnover	
	Women	Men	Women	Men	Women	Men	Women	Men
Under 30	37	55	23%	24%	52	72	33%	33%
30-50	29	45	12%	7%	35	72	14%	11%
Over 50	3	10	15%	14%	3	21	14%	27%

Ratios of standard entry level wage by gender compared to local minimum wage ^{G4-EC5}

Lowest salary Men	Minimum wage	Ratio in % Men	Lowest salary Women	Minimum wage	Ratio in % Women
R\$2,002.00	R\$1,000.00	200%	R\$2,536.00	R\$1,000.00	254%

Composition of governance bodies and employees per category according to gender, age group, minority group, and other indicators of diversity ^{G4-LA12}

Nº. of individuals in governance bodies by gender	2016			2015		
	Total	Women	Men	Total	Women	Men
	16	6%	94%	15	7%	93%

Nº. of individuals in governance bodies by age group	2016				2015			
	Total	Under 30 years old	30-50 years old	Over 50 years old	Total	Under 30 years old	30-50 years old	Over 50 years old
	16	0%	37%	63%	15	0%	33%	67%

Minority groups	2016		2015		2014	
	Total	Individuals in governance bodies	Total	Individuals in governance bodies	Total	Individuals in governance bodies
Blacks	41	0%	60	0%	46	0%
Persons with special needs	55	0%	57	0%	66	0%

Employee category	2016				2015				2014	
	Women		Men		Women		Men		Women	Men
Managing director	6	19%	25	81%	5	20%	25	80%	4	26
Associate director	17	20%	66	80%	17	20%	67	80%	17	71
Manager	36	23%	121	77%	39	25%	115	75%	42	113
Team	336	31%	731	69%	334	32%	721	68%	338	746
Intern	25	40%	38	60%	31	45%	38	55%	38	47
Total	420	-	981	-	426	-	966	-	439	1,003

Employee category	Under 30 years old					30-50 years old					Over 50 years old				
	2016		2015		2014	2016		2015		2014	2016		2015		2014
Managing director	-	0%	-	0%	-	24	77%	25	80%	26	7	23%	5	20%	4
Associate director	1	1%	1	1%	2	69	83%	70	83%	75	13	16%	13	15%	11
Manager	6	4%	2	1%	18	142	90%	141	92%	128	9	6%	11	78%	9
Team	313	29%	308	29%	431	689	65%	679	64%	603	65	6%	68	6%	50
Intern	63	100%	68	100%	85	0	0%	1	0%	-	0	0%	0	0%	-
Total	383	-	379	-	536	924	-	916	-	832	94	-	97	-	74

Employee category	2016		2015		2014		2016	2015	2014
	Black women	Black men	Black women	Black men	Black women	Black men	Persons with special needs	Persons with special needs	Persons with special needs
Managing director	-	-	-	-	-	-	-	-	-
Associate director	-	1	1	1	-	1	-	-	-
Manager	1	1	1	2	1	2	-	-	-
Team	7	30	29	24	8	30	55	57	66
Intern	-	1	-	2	1	3	-	-	-
Total	8	33	31	29	10	36	55	57	66

Ratio of women's to men's basic salary and average remuneration by employee category in % ^{G4-LA13}

Employee category	2016		2015	
	Women's/men's basic salary	Women's/men's average remuneration	Women's/men's basic salary	Women's/men's average remuneration
Managing director	0.88	0.68	1.04	1.3
Associate director	1.04	1.06	1.05	1.14
Manager	0.94	0.93	0.95	0.92
Team	0.84	0.86	0.85	0.85
Intern	0.95	1	0.94	0.90

Benefits ^{G4-LA2}

It is part of BM&FBOVESPA's strategy to stimulate the performance and productivity of its team. In addition to the benefits required by law (prescription drug discounts, life insurance, emergency loans, food vouchers, meal vouchers, childcare vouchers), the Company offers options that enhance employee wellbeing and the workplace environment.

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). The 2016 highlights are summarized below:

- Mais Você, a free personal counseling and support service from a multidisciplinary team available 24x7 by phone and email – 19,130 cases processed.
- Social center and walk-in clinic with medical care, cardiology, dermatology, acupuncture, nutritional and psychological counseling, physical therapy, and massage – 8,195 cases processed, of which 8,056 were walk-ins.
- Flu vaccine campaign for employees, interns and on-site suppliers – 1,812 beneficiaries.
- Fitness centers (discount agreement) for employees and interns – 365 people enrolled.
- Annual checkups for managing directors, associate directors and senior specialists – 36 participants.
- Facilities Exchange (Bolsa de Facilidades), providing access to goods and services that contribute to employee wellbeing through partnerships in sports, culture, recreation and leisure.

Diversity & Voluntary Service Week in 2016 involved activities organized by BM&FBOVESPA Institute and HR, including a lecture by athlete Ana Moser, presenting her social volleyball project, an Exchange Panel on Women in Leadership, and a stand-up comedy session on Empowering Women, with 137 people participating.



Talk by the athlete Ana Moser



Pink October and Blue November Campaigns at BM&FBOVESPA



Health plan ^{G4-LA7}

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.

Employees can also use two outpatient clinics located on Company premises at Praça Antonio Prado and Rua XV de Novembro, and staffed by physicians and nursing technicians every day of the week.

Pension plan ^{G4-EC3}

BM&FBOVESPA offers a defined-contribution pension plan for voluntary participation by all employees. The number of participants totals 1,015.

The plan for employees enables participants and sponsor to invest more – employees contribute 1%-7% of their monthly salary, with a matching contribution from the Company equivalent to 100%. Employees who leave before the specified retirement date can keep their plans according to the rules stipulated by the bylaws or cancel.

In this case they can opt to transfer 100% of the accumulated employee contributions and, based on length of service, up to 90% of the accumulated sponsor contributions, or withdraw 100% of the accumulated employee contributions and up to 50% of the accumulated sponsor contributions based on length of service.

Health and safety ^{G4-LA5 / G4-LA8}

Pursuant to agreements with the union, the workforce at BM&FBOVESPA is represented on formal health and safety committees comprising employees from different hierarchical levels who help monitor and oversee occupational health and safety programs.

- **Accident Prevention Committee** – To discuss matters relating to accident and occupational disease prevention, BM&FBOVESPA has an occupational safety technician and an Internal Workplace Accident Prevention Committee (CIPA) with 18 members (1.4% of the workforce). In the 2016-17 CIPA election, 931 votes were cast (70% of the workforce). Five members and four alternates were elected.
- **Internal Workplace Accident Prevention Week (SIPAT)** – The seventh edition presented health and accident prevention-related activities designed to encourage more conscious and positive behavior, including workshops on healthy living and eating, happiness, and disease prevention, as well as an eye examination and measurement of waist circumference, cholesterol and blood sugar. Employees also benefited from ergonomics blitzes including workstation interventions with guidance on posture and relaxation massages. The number of participations during the five-day SIPAT in 2016 totaled 2,675.

Human rights and labor practices

BM&FBOVESPA's employees, interns and service providers have formal contracts and the Company assures respect for human rights in the workplace. Registered cases of discrimination on the grounds of ethnic origin, color, gender, religion, ideology, nationality or social status are dealt with in confidence by the Code of Conduct Committee and are therefore confidential information. ^{G4-HR3}

In 2016, 35 labor claims were filed against the Company and 49 were settled; of these, 46 had been filed the previous year. ^{G4-LA16}

The Company does not perform any activities that are hazardous to health or the environment. It requires responsible practices in selecting and contracting with suppliers, such as appropriate management of environmental impact, ethical conduct, compliance with health and safety legislation, and non-involvement in proven cases of corruption, bribery or forced and child labor, on pain of unilateral contract termination.

BM&FBOVESPA maintains its commitment to select and certify suppliers in accordance with its Policy for Acquisition of Goods and Services to mitigate risks relating to image, labor relations, child labor and forced labor. The standard service agreement contains specific human rights clauses. ^{G4-12}

To guarantee compliance with some of these aspects, moreover, the Company requires prospective suppliers to complete a socio-environmental questionnaire and analyzes their sustainability practices, including policies, procedures, social information and other initiatives. ^{G4-12}

The supplier selection and certification process also entails a detailed analysis of credit and tax clearance, including the regularity of social security contributions, a financial assessment, and verification of socio-environmental practices. ^{G4-12}

At end-2016 the Company had 498 contractors, of which 113 were new, and 100% complied with the requisite standards regarding human rights and labor practices. There were no complaints or reports of actual or potential material negative impacts on human rights in the supply chain. [G4-12 / G4-LA14 / G4-LA15 / G4-HR10 / G4-HR12 / G4-SO9 / G4-SO10](#)

It is important to note that owing to the complexity of BM&FBOVESPA's technological infrastructure and its importance to the Company's development, the main suppliers are technology companies and providers of hardware and software solutions, such as servers, network equipment, mainframes, equipment maintenance, technical support, and skilled personnel for specific projects. [G4-12](#)

Anti-corruption practices

In accordance with the guidelines established by Law 12,846/2013 (the Anticorruption Law), BM&FBOVESPA has an Integrity Program to detect and remedy misappropriation, fraud, wrongful practices and similar crimes against government entities, whether domestic or foreign.

In 2016, the Internal Control, Compliance & Corporate Risk Department evaluated the internal control environment with regard to the impact of fraud and corruption, analyzing 25 processes to detect possible fraud scenarios and mitigate the respective risks prioritized by the Executive Board for risk monitoring purposes. [G4-SO3](#)

The Company also periodically trains employees, interns and service providers to identify and report suspected cases of corruption and money laundering.

In 2016 all members of governance bodies, employees, interns and service providers working on the Company's premises were told about its anti-corruption policies and procedures including the new Code of Conduct. [G4-SO4](#)

An Anti-Corruption Primer was issued to ensure that all employees, interns and service providers physically allocated to the Company's premises were aligned with best practice in combating corruption. During the year, 1,517 people (100% of the workforce) including executive officers completed anti-corruption training. [G4-SO4](#)

BM&FBOVESPA also publicizes the existence and encourages the use of channels for whistleblowing and reporting possible violations, and regularly reviews its policies, internal norms and Code of Conduct, through which it expressly assumes its commitment to preventing and combating corruption, money laundering and fraud. [G4-SO4](#)

In 2016 no cases of infringement or corruption were reported to the Code of Conduct Committee, no cases of employee punishment (warning, suspension or termination) or non-renewal of agreements with business partners due to corruption-related violations were recorded, and there were neither significant fines or non-monetary sanctions for non-compliance with laws and regulations concerning the provision and use of products and services, nor complaints regarding breaches of privacy. [G4-SO5 / G4-SO8 / G4-PR8 / G4-PR9](#)

4.

Social Investment and Environmental Management

[back to summary](#)

We are well aware of our responsibility as inducers of sustainability. We are proud of the recognition received for leading this agenda and of the distinctive position we occupy among the world's exchanges as a member, affiliate and/or signatory of economic, environmental and social institutions.



A strong financial performance is no longer the only criterion by which a company is considered valuable and a good investment. Investors and analysts increasingly pay attention to the way companies deal with environmental, social and governance (ESG) issues. ESG-related criteria are now widely used in investment analysis, portfolio management and decision making.

This is the principle underlying responsible investment, which gained enhanced visibility in 2006 with the creation of the Principles for Responsible Investment (PRI), a partnership between the United Nations and private institutional investors – to which BM&FBOVESPA is a signatory in the “service provider” category – to mainstream sustainability principles in business and investment activities around the world.

Learn about BM&FBOVESPA’s other [commitments](#) and institutional representations in leading this agenda.

4.1 Private social investment G4-EC8 / G4-SO1

BM&FBOVESPA Institute is a public-interest civil society organization (OSCIP) whose remit is to integrate and coordinate the Company’s social investment projects relating to education, culture, sports and voluntary service with the overarching goal of building bridges that permit the development of Brazilian society as a whole.

Its main projects are the Socio-Environmental Investment Exchange (BVSA); the Job Training Association; the Athletics Club; and the “In Action” (Em Ação) voluntary service program.

These initiatives focus on engagement with the poor and have an indirect impact by enabling participants in the programs concerned to improve their socioeconomic conditions. For example, young people who receive job training and develop the core competencies required to enter and remain in the labor market have the wherewithal to change their reality.

It is important to note that 80% of the Company’s engagement and local community development programs take place in the city in which BM&FBOVESPA’s head offices and all of its operations are located.

BM&FBOVESPA Institute’s strategic objectives

- To bring donators and nonprofit organizations together in a safe and transparent virtual fundraising platform.
- To promote social and economic inclusion through vocational training and sports.
- To support high-performing athletes and youth teams, seeking Brazil’s development through sports.

Socio-Environmental Investment Exchange (BVSA) – A pioneering initiative in the world, BVSA is the bridge that links social investors with Brazilian organizations in need of financial support. It is a virtual environment with a format similar to an exchange, featuring projects aligned with the Sustainable Development Goals (SDGs). It has a partnership with BrazilFoundation to identify, select and qualify organizations.

BVSA is recognized by UNESCO and backed by the United Nations Development Program (UNDP). The UN Global Compact has spotlighted the initiative as a model to be followed by other exchanges around the world.

BVSA was chosen to partner with Bloomberg Tradebook for Charity Day Brazil 2016, part of a worldwide fundraising campaign to support those in need by donating trading commissions to a variety of Bloomberg-supported charities.

Since its creation, BVSA has raised more than R\$17.2 million for 158 projects throughout Brazil with proven results that help build a fairer, more equal society. In 2016 the total amount raised was R\$ 1.5 million for 31 projects. Twenty of them reached the funding target. For more information, visit bvsa.org.br.



Charity Day Brazil

Job Training Association (AP) – Social inclusion program for low-income youth in metropolitan São Paulo. In 2016 AP commemorated 20 years of activity to promote the social and economic inclusion of young people in situations of social vulnerability by helping them enter the labor market. Through its three courses – Training for Employability, focusing on clerical and administrative jobs; Handyman, on construction and building maintenance; and Beauty Space, which turns out freelance and salaried beauticians – some 3,500 youngsters have graduated from AP, contributing to the development of society and consequently of the labor market.

BM&FBOVESPA Athletics Club – The main aim of this program is to foster social inclusion and Brazilian development through sports. In 2016, 20 of the Club's athletes took part in the Brazilian Olympic delegation and two set personal records – Luiz Alberto de Araújo in the decathlon, and Darlan Romani in the shot put.

Sports & Cultural Center – Located in São Paulo City's Paraisópolis community, the program promotes sports, culture and education activities attending, on average, 300 youngsters aged 6-15 per year.

In Action – Program to promote and support engagement by employees, interns and service providers and their families as volunteers in social actions in the community. It developed 18 voluntary activities in 2016.

More information on these projects and their impact is available at institutobmfbovespa.org.br

BM&FBOVESPA also supports initiatives and institutions that contribute to the development of education and culture. In 2016 it entered into partnerships with cultural entities: the São Paulo Symphony Orchestra (OESP) and Pinacoteca.

4.2 Environmental management and eco-efficiency

BM&FBOVESPA is committed to providing a safe and healthy workplace for employees and visitors. To this end it takes steps to avoid degrading the environment and minimize the impact of its activities.

In consonance with the Environmental Pillar of its Sustainability Policy, the Company has put in place eco-efficiency programs on its premises to optimize the use of water, electricity and paper, manage electronic and other solid wastes responsibly, and minimize greenhouse gas emissions. ^{G4-14 / G4-EN27}

It also promotes good socio-environmental practices throughout its value chain and among other stakeholders, not least as a contribution to the development of the Brazilian market for environmentally-focused products and services.

Greenhouse gas emissions

To increase transparency and control of its environmental impact in terms of greenhouse gas emissions (GHG), and to support action to reduce GHG and improve its processes, 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 Program, where it can be read and downloaded (registropublicodeemissoes.com.br).

The 2015 GHG inventory covered all BM&FBOVESPA group companies.

The 2016 GHG inventory has not yet been finalized as the process began in January 2017.

Scope 1, 2 and 3 emissions ^{G4-EN15 / G4-EN16 / G4-EN17 / G4-EN19}

In 2015 BM&FBOVESPA's absolute emissions amounted to 232.02tCO₂e for Scope 1; 3,306.33 tCO₂e for Scope 2; and 1,862.90 tCO₂e for Scope 3.

Scope 1 emissions rose 4.68% compared with 2014 (57.76 tCO₂e) because of fixed-source emissions relating to the use of generators.

Scope 2 emissions remained practically unchanged, rising less than 1% year over year (3,280.82 tCO₂e), owing to an increase in electricity consumption in 2015 following startup of the Data Center.

Scope 3 indirect emissions varied significantly, rising 33% year over year (1,399.49 tCO₂e), owing mainly to quantification of employee commuting, which was extended to include emissions by train and subway transportation.

In 2016 BM&FBOVESPA was recognized by CDP as one of 16 Brazilian companies with the "best responsible management practices" in climate change.

In previous years, companies were classified only by the criteria "transparency" and "performance". BM&FBOVESPA ranked three times among the top ten Brazilian companies in transparency.

Direct and indirect greenhouse gas emissions and electricity – Scopes 1 & 2 (in metric tons of CO2 equivalent) G4-EN15 / G4-EN16 / G4-EN19 / G4-EN20 / G4-EN21

	2015	2014	2013
Electricity	3,306.33	3,280.82	2,438.46
Fire extinguishers	1.0	1.40	1.75
Own fleet	9.21	10.68	12.34
Natural gas	7.64	6.46	5.91
Cooling gas	142.21	177.85	241.59
Generators	68.20	57.76	62.64
GLP	3.78	4.27	4.17
Total direct and indirect emissions (tCO2e)	3,538.37	3,539.24	2,766.86

Notes

- Cooling gas consumption in 2015, amounting to 389.22 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.
- Third-party generators accounted for 59.14 tCO2e, allocated to Scope 2 as recommended by Brazil's GHG Protocol Program. BM&FBOVESPA's own generators accounted for 68.20 tCO2e (Scope 1).
- BM&FBOVESPA does not emit any ozone-depleting substances, NOx, SOx, persistent organic pollutants (POP), hazardous air pollutants (HAP) or particulate matter (PM) G4-EN20 / G4-EN21
- BM&FBOVESPA complies with the National Solid Waste Policy.
- BM&FBOVESPA Settlement Bank complies with the Socio-Environmental Responsibility Policy.
- 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.
- The 2015 GHG Inventory covered the following gases controlled by the Kyoto Protocol: CO2, CH4, N2O, SF6, NF3, and the HFC and PFC families.

Indirect greenhouse gas emissions – Scope 3 (in metric tons of CO2 equivalent) GRI G4-EN17

	2015	2014	2013
Workforce commuting	932.12	607.61	893.79
Third-party logistics	4.33	3.72	2.64
Taxis	57.87	107.67	58.13
Travel	726.15	627.49	1,060.56
Solid waste from operations	59.76	53.61	62.20
Other	82.67	0	60.41
Total indirect emissions (tCO2e)	1,862.90	1,399.49	2,137.73

Energy consumption

The Company analyzes energy consumption month by month, periodically taking action to reduce it and implementing improvements such as subscribing to an online energy use monitoring service that provides data on its actual use profile, detects waste and controls demand peaks, among other benefits.

Indirect energy consumption by primary energy source (in gigajoules) ^{G4-EN3}

Energy source	2016	2015	2014
Electricity	90,350	89,709	83,749

Energy saving due to conservation and efficiency improvements (in gigajoules) ^{G4-EN6}

Improvements	2016	2015	2014
Deactivation of extra bulbs on stairs in the Praça Antonio Prado and Rua XV de Novembro buildings	26	168	175
Deactivation of one elevator in Praça Antonio Prado building during off-peak hours	0	-	17
Rules on weekend use of air conditioning	92	77	77
Replacement of halogen with LED bulbs – Raymundo Magliano Filho Visitor Center (Rua XV de Novembro)	53	53	45
Installation of photocells for staircase lighting – Rua XV de Novembro building and Rua João Brícola entrance (Praça Antonio Prado)	11	9	9
Deactivation of extra bulbs on façade of Praça Antonio Prado building and in co-location area	72	54	54
Replacement of fluorescent with LED bulbs in mezzanine of, Rua XV de Novembro building	18	18	15
Replacement of conventional light fittings with LED fittings on stairs in Praça Antonio Prado and Rua XV de Novembro buildings	49	5	*
Deactivation of conventional light fittings on stairs in Praça Antonio Prado building due to installation of LED fittings	8	2	*
Deactivation of corridor and elevator hall lighting on all floors of Praça Antonio Prado and Rua XV de Novembro buildings	60	124	*
Elevator schedule for Praça Antonio Prado and Rua XV de Novembro buildings	0	20	*
Set point temperature for air conditioning system in Praça Antonio Prado building raised from 5° C to 6.5° C	25	25	*
Replacement of fluorescent with LED bulbs in halls of all floors of Praça Antonio Prado, Rua XV de Novembro and Rua Florêncio de Abreu buildings	102	**	**
Replacement of fluorescent with LED bulbs in Associação BM&FBOVESPA building in Brás	8	**	**
Total	524	555	392

*Items measured from 2015.

** Items measured from 2016.

Greenhouse gas emission offsets G4-EN27

The Company has offset its irreducible GHG emissions since 2013, with 2011 and 2012 as basis years, becoming carbon neutral as a result. This initiative is designed to foster best practice in sustainability by listed companies and the market generally, among other aims.

To offset its 2015 irreducible GHG emissions, BM&FBOVESPA purchased 5,402 carbon credits (or 5,402 metric tons of CO₂ equivalent) by the UN-registered renewable energy project Cemat Grid Connection of Isolated Systems, to which Companhia de Energia de Elétrica do Tocantins and Centrais Elétricas Mato-Grossenses belong.

The credits purchased by the Company, created under the Kyoto Protocol Clean Development Mechanism (CDM) and known as Certified Emission Reductions (CERs).

5.

Operational and Financial Performance

[back to summary](#)

We are committed to seeking new opportunities to grow and strengthen our relationships with customers, regulators and market participants, with the aim of creating ever more value for our shareholders in the long term.



The year 2016 was marked significant changes in the political scenario and economic expectations, both abroad and in Brazil.

Events such as the popular vote in favor of the United Kingdom's exit from the European Union, the recovery in prices for some commodities and, lastly, the elections in the United States of America prompted great volatility and increased uncertainty in global markets.

In Brazil, the year began with very negative expectations regarding the country's level of economic activity and its fiscal imbalance. Some of these negative expectations were confirmed and the economy has now its third year of recession. However, with the political transition and a new direction in the management of the economy, there was an improvement in the medium and long-term scenario.

These improved expectations, despite the recession, directly impacted the performance of the equities market in the Bovespa segment, which presented higher turnover velocity and market capitalization.

In the case of the derivatives market in the BM&F segment, higher volumes were neutralized by lower average prices charged by the Company, mainly due to a significant change in the mix of contracts traded, with a higher share of mini contracts, which prices are below the average.

In addition, the Company continued investing to enhance its products and markets, in particular by developing inflation-indexed derivatives.

5.1 Operational performance

Financial and commodities derivatives (BM&F Segment)

The average daily volume (ADV) on the financial and commodity derivatives market reached 3.2 million contracts in 2016, up by 12.4% over 2015, reflecting an 87.7% growth in the ADV for mini contracts.

Mini contracts are composed substantially of mini contracts of Stock Index (62.0%) and FX rate contracts (37.9%), which posted a 66.2% and 138.0% growth, respectively, over the previous year, reflecting an increased activity in this type of contract by individual and non-resident investors, especially those characterized as high frequency traders.

Average daily volume (in thousands of contracts)

	2012	2013	2014	2015	2016	CAGR (2012-16)	Var. 2016/2015
Interest Rates in BRL	1,925.7	1,856.7	1,417.4	1,458.4	1,447.7	-6.9%	-0.7%
FX Rates	493.9	494.1	493.9	463.9	411.9	-4.4%	-11.2%
Stock indices	143.1	113.6	118.6	100.9	96.1	-9.5%	-4.7%
Interest Rates in USD	149.8	155.9	219.6	289.2	253.1	14.0%	-12.5%
Commodities	11.2	9.2	10.2	7.6	7.4	-10.0%	-3.4%
Subtotal	2,723.8	2,629.4	2,259.7	2,320.1	2,216.1	-5.0%	-4.5%
Mini Contracts	165.7	208.2	310.6	520.3	976.5	55.8%	87.7%
Total	2,889.5	2,837.7	2,570.4	2,840.4	3,192.5	2.5%	12.4%

Excluding the effect of mini contracts on total ADV, the ADV would have reached 2.2 million contracts in 2016, a 4.5% drop over the previous year, reflecting lower ADV for all groups of contracts, but particularly, in FX rates and Interest rates in USD contracts.

Average Revenue per Contract (RPC) was down by 13.3% over 2015, mainly as a result of mini contracts' higher share on the total ADV (from 18.3% in 2015 to 30.6% in 2016), since the average RPC of this contracts is substantially lower than the average of other contracts in the segment. In addition, there was an increase in the share of day trades and high frequency investors, for whom the prices charged are also lower, thus negatively impacting average RPC.

Average RPC (R\$)

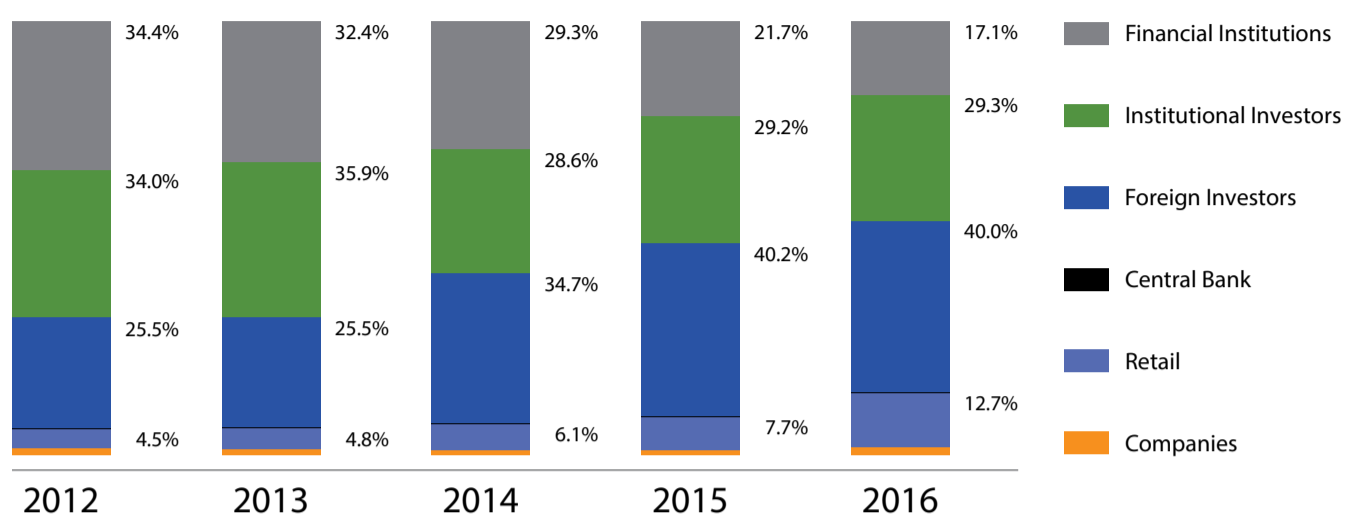
	2012	2013	2014	2015	2016	Var. 2016/2015
Interest Rates in BRL	1.004	1.046	1.120	1.150	1.161	1.0%
FX Rates	2.205	2.535	2.669	3.671	3.846	4.8%
Stock Indices	1.524	1.761	1.774	2.128	1.827	-14.1%
Interest Rates in USD	1.015	1.231	1.294	1.840	1.794	-2.5%
Commodities	2.239	2.534	2.390	2.530	2.257	-10.8%
Average (except minis)	1.253	1.373	1.515	1.787	1.765	-1.2%
Mini Contracts	0.116	0.119	0.117	0.218	0.246	13.0%
Overall	1.189	1.281	1.346	1.500	1.300	-13.3%

Excluding the impact of mini contracts, average RPC would have been 1.2% lower than in 2015, mainly as a result of: (i) lower RPC from stock index contracts due to more day trade transactions in this group; and (ii) lower RPC on Interest rate in USD contracts, due to the reduction in the average term of this contract.

With regard to the participation of different groups of investors in the financial and commodity derivatives markets, ADV by individual investors was up by 88.2% and their share of total ADV rose from 7.7% in 2015 to 12.7% in 2016. Most of this growth is related to mini contracts, as mentioned above.

Foreign and institutional investors, the most representative in this segment, increased the average volumes of contracts traded by 13.9% and 14.6%, respectively, in 2016, but their share of total volume traded remained practically unchanged in the period. On the other hand, the ADV of financial institutions fell by 9.8% and their share of the total was down from 21.7% to 17.1% in the period, reflecting the process of reducing risk exposure shown by some of these institutions over the last few years.

Distribution of average daily volume traded by investor category (%)



Equities and equity derivatives (Bovespa Segment)

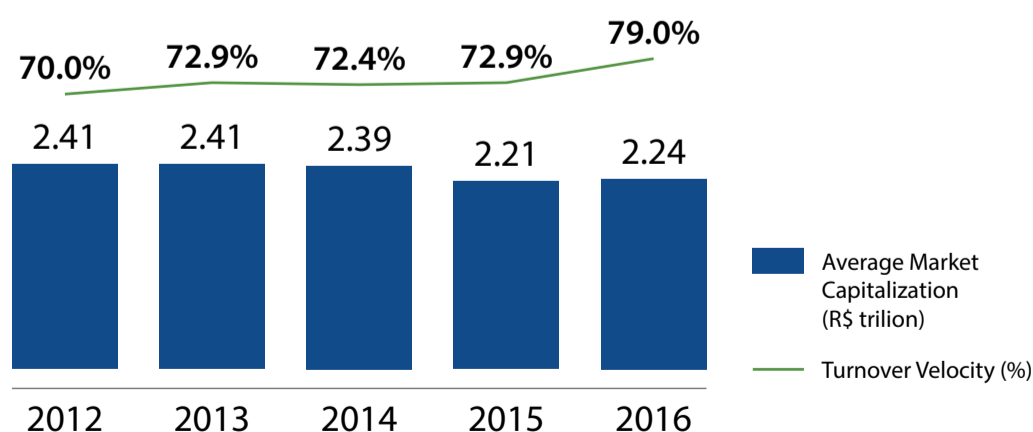
The average daily traded value (ADTV) in equities and equity derivatives (options and forward) reached R\$7.4 billion in 2016, up by 9.2% over the previous year, mainly due to an 8.6% growth in the cash market ADTV, which accounted for 95.9% of the total.

Average daily traded volume (R\$ million)

Markets	2012	2013	2014	2015	2016	CAGR 2012-2016	Var. 2016/2015
Cash	6,861.3	7,094.5	6,975.8	6,552.1	7,115.4	0.9%	8.6%
Forward	103.4	91.5	82.4	66.5	64.8	-11.0%	-2.6%
Options	280.1	230.3	233.1	170.3	233.9	-4.4%	37.4%
Total	7,250.7	7,417.7	7,292.5	6,792.8	7,416.5	0.6%	9.2%

The increased ADTV in the cash market was mainly due to higher turnover velocity, which was up from 72.9% in 2015 to 79.0% in 2016, while average market capitalization totaled R\$2.24 trillion, up by 1.4% over the previous year. Although average market capitalization remained practically unchanged, there was a strong recovery in stock prices in the second half of the year, which is clearly seen in the comparison between figures for the end of both periods, when market capitalization reached R\$2.47 trillion in 2016 versus R\$1.91 trillion in 2015, up by 29.0%.

Average market capitalization and turnover velocity



Regarding the average market capitalization by sector, the financial sector once again accounted for the biggest share of the equities market, with 34.2% of the total. The main highlights were utilities and oil, gas and biofuels, which posted gains of 17.9% and 14.4%, respectively, over 2015.

Average market capitalization by sector (R\$ billion)

Industry Classification*	2015	Total Part. 2015	2016	Total Part. 2016	Var. 2016/2015
Financial	733.1	33.1%	767.4	34.2%	4.7%
Consumption	646.7	29.2%	586.3	26.1%	-9.3%
Utilities	194.6	8.8%	229.4	10.2%	17.9%
Oil, Gas and Biofuels	184.0	8.3%	210.4	9.4%	14.4%
Basic Materials	212.3	9.6%	203.6	9.1%	-4.1%
Capital Goods	111.8	5.0%	102.5	4.6%	-8.3%
Telecommunications	91.2	4.1%	89.9	4.0%	-1.5%
Others**	41.6	1.9%	52.9	2.4%	27.0%
Total	2,215.4		2,242.5		1.2%

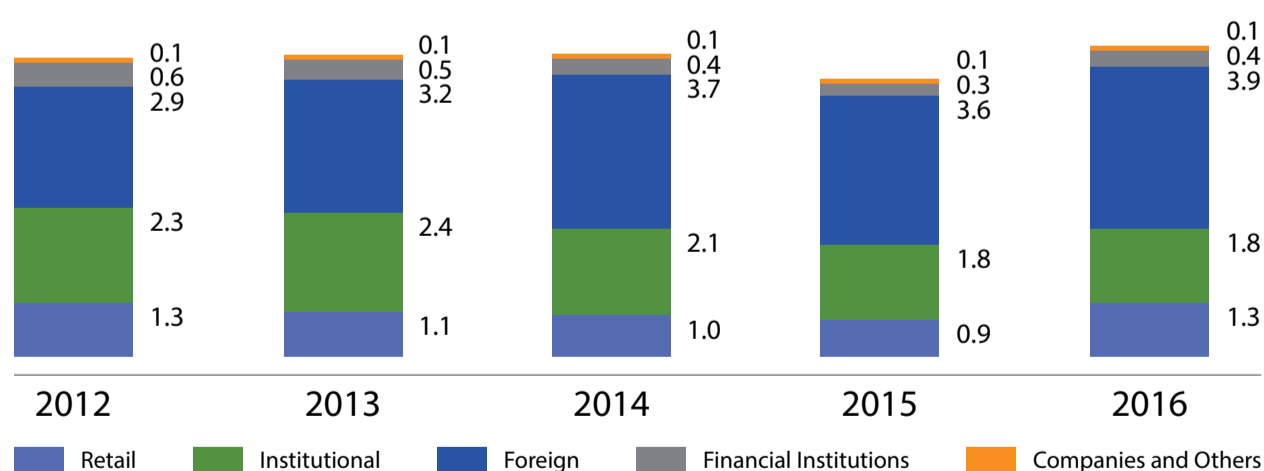
* In 2016, there was reclassification of sectors.

** Includes Capital Goods and Services and Information Technology.

Trading and post-trading margins in this segment fell from 5.275 basis points in 2015 to 5.194 in 2016, down by 1.5% mainly as a result of a higher portion of ADTV related to expiration of options on indices, which are not charged trading and post-trading fees, and to a higher share of day trades, which are eligible for volume discounts.

With regard to the participation by groups of investors in the Bovespa segment, non-resident investors continued to lead with 52.1% of the total ADTV, followed by local institutional investors with 24.8%. Compared with 2015, the fastest growing groups were individual investors, whose ADTV was up by 34.9%, and non-resident investors, whose ADTV was up by 7.6%.

Distribution of average daily traded value by group of investors (R\$ billion)



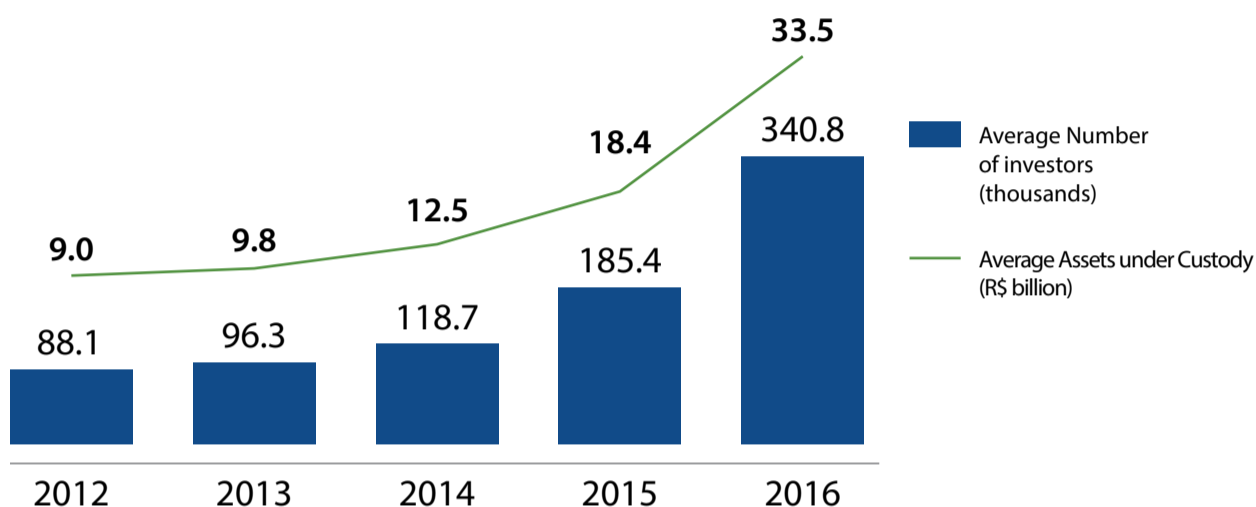
Other business lines

Treasury Direct (Tesouro Direto) platform

Tesouro Direto continues its strong upward trend. The average assets under custody stock reached R\$33.5 billion in 2016, up by 82.2% over the previous year, while the average number of investors increased by 83.8%, from 185.4 thousand to 340.8 thousand in the same period.

Designed in partnership with the Brazilian Treasury, Tesouro Direto continues to be promoted by BM&FBOVESPA, through incentive programs for the distribution channel and operational improvements.

Dealings on the Treasury Direct platform

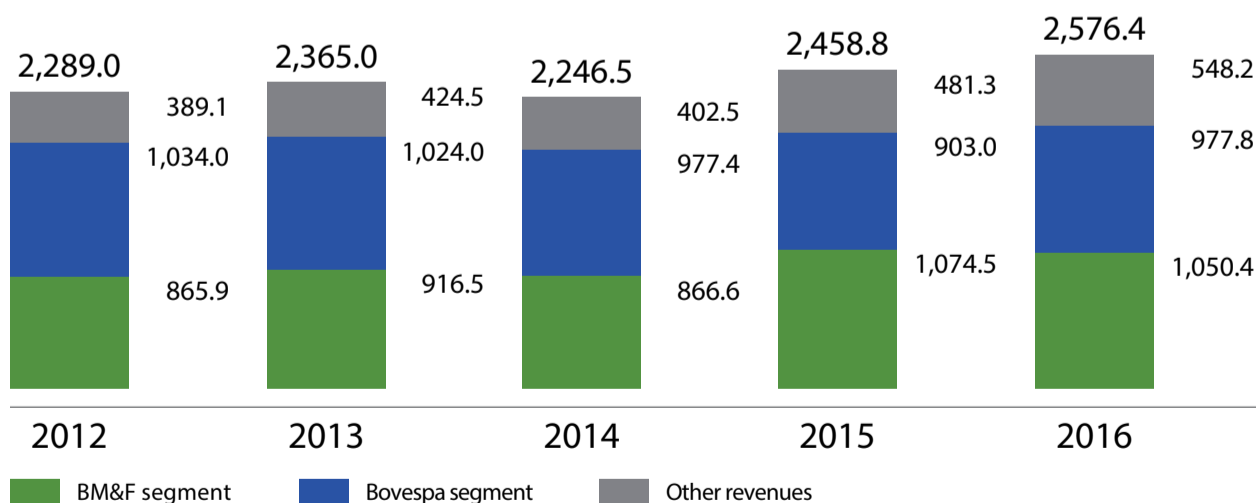


5.2 Economic and financial performance

Revenues

BM&FBOVESPA ended 2016 with total revenues (before deducting PIS / COFINS and ISS) of R\$2,576.4 million, an increase of 4.8% over 2015. These numbers reflect higher revenues for the Bovespa segment and other business lines not tied to volume.

Revenues (R\$ million)



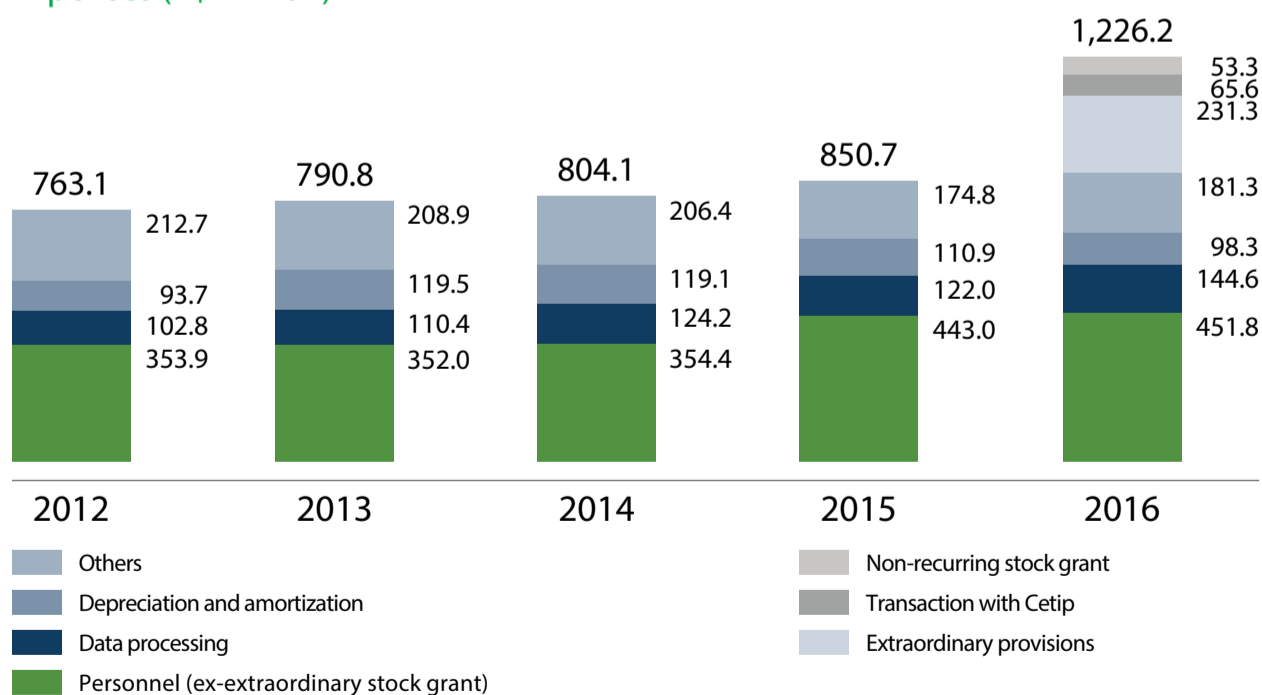
Revenues from trading and post-trading in the BM&F and Bovespa segments together represented 77.2% of total revenues for the year, reaching R\$1,989.2 million, an increase of 2.8% year-over-year.

- **Revenues from trading, clearing and settlement – BM&F segment:** reached R\$1,050.4 million (40.8% of the total), down by 2.2% over 2015, reflecting a 13.3% decline in average RPC, which was not fully offset by the 12.4% growth in the ADV in the period.
- **Revenues from trading, clearing and settlement – Bovespa segment:** reached R\$977.8 million (38.0% of the total), an increase of 8.3% over the previous year. Trading and post-trading revenues totaled R\$959.2 million, an increase of 8.8% over 2015, reflecting a 9.2% increase in ADTV.
- **Other revenues:** revenues not tied to volume traded reached R\$548.2 million (21.3% of the total) in 2016, a 13.9% increase year-over-year. The main highlights were:
 - **Depository, custody and back-office:** totaled R\$177.7 million (6.9% of the total), up by 35.8% over 2015, as a result of an 89.3% increase in revenues from Tesouro Direto, which reached R\$65.6 million in the year, and inflation pass through of certain depository services prices as of January 2016.
 - **Banco BM&FBOVESPA:** revenues reached R\$39.8 million (1.5% of total), up by 13.2% over the previous year, mainly due to an increase in FX transactions by customers and income from the bank's financial investments.
 - **Others:** totaled R\$36.0 million (1.4% of total), up by 49.3% over 2015, as a result of a R\$16.9 million extraordinary reversal of provision, with no cash impact, connected to changes in the Company's health care plan implemented in 2016, which impacted liabilities tied to rights granted to Company's employees who contributed to the health care plan of the Company between 2002 and 2009.

Expenses

Expenses totaled R\$1,226.2 million in 2016, a 44.1% increase over the previous year, mainly due to: (i) extraordinary expenses, with no cash impact, related to R\$231.3 million in provisions for legal contingencies; (ii) expenses related to the proposed business combination with Cetip amounting to R\$65.6 million; and (iii) R\$51.5 million in non-recurring expenses related to stock grants. Excluding these non-recurring items, total expenses would have reached R\$877.8 million, an increase of 3.2% over 2015.

Expenses (R\$ million)



- **Personnel and payroll-related charges:** totaled R\$505.1 million in 2016, an increase of 14.0% over 2015. This increase is a result of the 8.6% adjustment under the annual collective bargaining agreements of Aug'16, and higher stock grants expenses. Excluding the impact related to stock grant expenses, personnel and payroll-related charges would have totaled R\$359.9 million, which would represent a rise of 4.6%.

Expenses related to the stock grant plan reached R\$145.2 million in 2016, 46.7% higher over the previous year. Of this total, recurring expenses amounted R\$93.7 million and include R\$48.9 million in principal and R\$43.0 million in provisions for payroll charges to be paid upon the delivery of the shares to the beneficiaries, which was impacted by a higher price of the BM&FBOVESPA shares. Extraordinary expenses – principal and charges – totaled R\$51.5 million and consisted of: (i) R\$25.0 million related to severance expenses; and (ii) provision of R\$26.5 million due to the adequacy of the accrual methodology applied to expenses related to stock grant programs, which were granted but not transferred yet, in accordance with Company's stock grant plan.

- **Data processing:** totaled R\$144.6 million, an increase of 18.5% over the previous year, mainly due to: (i) IT maintenance contracts adjustments; and (ii) the impact of the appreciation of the US Dollar against the Brazilian Real between Jan'15 and Dec'15, given that a cash flow hedge was set up for a portion of the contracts denominated in foreign currency with competence in 2015 and 2016, respectively.
- **Depreciation and amortization:** totaled R\$98.3 million in 2016, down by 11.3% over 2015 due to (i) conclusion of depreciation and amortization for equipment and systems; and (ii) longer useful life periods used when calculating depreciation and amortization for certain equipment items and systems.
- **Transaction with Cetip:** totaled R\$65.6 million in 2016 composed by extraordinary expenses connected to the proposed business combination with Cetip, R\$50.3 million in transaction costs and R\$15.3 million in expenses related to planning of the business integration that will take place after regulatory analysis.
- **Other:** totaled R\$316.5 million, a 274.8% increase over the previous year, including: (i) an extraordinary provision in the amount of R\$183.9 million related to a lawsuit for which the chances of loss were changed from possible to probable; (ii) R\$47.4 million in provisions for success fees to legal advisors, that, as from 3Q16, was made for cases in which the chances of loss are rated possible or remote, as from 3Q16, was made for legal proceedings classified as possible or remote loss chances, since in the case of success of these cases the Company must pay the success fee contracted; and (iii) R\$18.0 million transferred to our self-regulatory entity in 4Q16, with the purpose of financing the activities of this institution.

Indebtedness

The Company's gross debt at the end of 2016 was R\$5,463.6 million (including principal and accrued interest), of which 91.8% was long-term and 8.2% short-term.

In Dec'16, BM&FBOVESPA increased its level of indebtedness by issuing debentures and obtaining a foreign currency loan to meet the financial obligations arising from the business combination with Cetip. Details of the Company's indebtedness are shown below.

Debenture issue – First issue of simple, non-convertible debentures in the amount of R\$3.0 billion settled on December 15, 2016. This issue is for a term of three years with payment of 50% at the end of year 2 and 50% at the end of year 3 at an interest rate corresponding to 104.25% of the DI rate. Interest will be paid on semi-annually basis, on June 1 and December 1 each year.

Loan – A loan in the amount of US\$125.0 million was agreed on December 15, 2016 at an interest rate of 2.57% p.a. to be paid on a monthly basis due on January 2, 2018. A cash flow hedge was set up between the loan and revenues denominated in US Dollar, while tying monthly amortizations with most of the receivables linked to derivatives contracts denominated in US Dollar (FX rates and Interest rates in USD contracts). Thus, for the dollar amount protected by the hedge instrument, any gains or losses related to exchange rate variations will be recognized in shareholders' equity, and therefore no longer have a direct impact on the Company's quarterly results in both operating income and financial

expenses. The impact will affect the income statements only when the loan matures. This hedge is expected to reduce change in revenues from derivatives reported as a result of exchange rate variations.

2020 Notes – Senior Unsecured Notes issued abroad in Jul'10 for the amount of US\$612.0 million, maturing in Jul'20 with semi-annually 5.5% coupons in July and January each year. In Mar'16, the Company entered into swap transactions for the principal amount of the 2020 Notes and has since then held a short position at the local interest rate, at an effective cost of 79.1% of the CDI rate applied to the balance in Brazilian Real on the hedge date (R\$2,210 million). Additionally, in Sep'16, the Company entered into non-deliverable forwards (NDFs) to hedge certain coupons from FX variations.

Financial result

Financial result totaled R\$152.0 million in 2016 and was mainly impacted by the recognition of the divestment in CME Group shares, its debenture issued and the loan, as shown below.

Financial income: totaled R\$1,167.3 million in the year, an increase of 56.5% over 2015, mainly due to high average cash in the period, which included: (i) R\$5,487.7 million in proceeds from the sale of CME Group shares in Sep'15 and Apr'16; and (ii) the proceeds from its R\$3.0 billion debenture issuance and US\$125 million loan contracted in Dec'16.

Financial expenses: totaled R\$442.5 million in 2016, up by 86.8% over the previous year, mainly due to: (i) R\$189.8 million related to the hedge against FX variation on the 2020 Notes; (ii) R\$17.6 million connected to interest on the debentures issued in Dec'16; (iii) R\$16.4 million related to IOF tax on repatriation of proceeds from the sale of CME Group shares; and (iv) R\$20.6 million expenses regarding the stand-by facilities amounting to R\$2.7 billion, which were not drawn, in connection with the transaction with Cetip.

Divestment from CME Group shares: totaled a non-recurring loss of R\$572.8 million in 2016, of which: i) R\$460.5 million, with no cash impact, reflecting changes in the CME Group share price and the Brazilian Real vs US Dollar exchange rate from Sep'15 to the date of total divestment from CME Group shares; and (ii) R\$112.3 million, with cash impact, related to PIS and COFINS levied on the capital gain generated on the sale of 4% of the CME Group shares.

Income tax and social contribution

Income tax and social contribution amounted to R\$199.5 million (positive) and was mainly impacted by:

- a reversal of the provision for taxes payable in the amount of R\$477.0 million (positive), resulting from the adjustment in the acquisition cost for the calculation of taxable capital gain on the sale of CME Group shares, held in Sep'15 and Apr'16, which resulted in a reversal of part of the accrued provisions;
- tax benefit amounting to R\$306.0 million as result of the distribution of R\$900.0 million in interest on capital in the year;
- R\$144.7 million reversal of tax assets related to accumulated taxes paid abroad, as a result of the sale of CME Group shares, since this tax asset can only be offset against gains obtained abroad.

Cash taxes totaled R\$21.5 million in 2016, of which R\$7.3 million were taxes paid by BM&FBOVESPA Settlement Bank. The items that impacted the cash taxes were:

- R\$439.3 million on capital gains taxes on the sale of the CME Group shares, including the above mentioned calculation base adjustment;
- change in the tax regime for exchange variations recognized in the Company's balance sheet from cash to accrual basis, which reduced tax due by R\$337.6 million;
- tax benefit of R\$541.2 million resulting from goodwill amortization.

Net income

Net income (attributable to shareholders) reached R\$1,446.3 million, down by 34.3% over 2015. Excluding extraordinary items, notably the reversal of a provision for tax payable relating to the divestment on CME Group shares in 2016, net income would have been R\$1,814.9 million, a 7.1% increase over the previous year.

Net income for 2016 excludes extraordinary impacts related to the sale of shares in the CME Group (R\$136.4 million, after tax), the transaction with Cetip (R\$43.3 million after tax), extraordinary stock grant expenses (R\$35.2 million after tax) and extraordinary expenses relating to provisions for contingencies and success fees (R\$155.0 million after tax). Net income for 2015 excludes extraordinary impacts related to impairment expenses (R\$1,097.4 million after tax), discontinuing of the equity method (R\$1,130.4 million after tax) and sale of the CME Group (R\$474.2 million after tax).

5.3 Main items of the Consolidated Balance Sheet as of december 31, 2016

Assets, liabilities and shareholders' equity accounts

BM&FBOVESPA's equity position remained solid at the end of 2016, with total assets of R\$31,155.9 million and shareholders' equity of R\$19,076.4 million, up by 18.4% and 3.9%, respectively, over 2015. As mentioned above, in Dec'16, the Company raised funds to meet financial obligations arising from the business combination with Cetip through R\$3.0 billion debenture issuance and a US\$125.0 million loan, both of which impacted the balance sheet.

The main changes in assets, in comparison with 2015, involved cash and cash equivalents and financial investments (current and non-current), which totaled R\$14,847.6 million, an increase of 47.7% over 2015, due to the funding raised in Dec'16 and a higher retention of the Company's cash generation to meet the financial obligations arising from the business combination with Cetip.

Current liabilities totaled R\$3,657.8 million, 74.4% higher over Dec'15, and accounted for 11.7% of total liabilities and shareholders' equity. The most significant changes are: (i) financial instruments used to hedge the principal of the 2020 Notes at the end of Mar'16, which totaled R\$406.0 million (zero in Dec'15), which were affected by the appreciation of the Brazilian Real against the US Dollar; (ii) loan totaling R\$373.9 million (zero in Dec'15) consisting of a 1-year loan in US Dollar obtained in Dec'16; and (iv) dividends and interest on equity payable in the amount of R\$318.8 million referring to interest on capital paid out on January 12, 2017. In addition, the outstanding balance of cash collateral deposited by market participants and recorded in the line collateral received in transactions reached R\$1,653.8 million (R\$1,338.0 million in 2015).

Non-current liabilities totaled R\$8,421.7 million, up by 43.7% over 2015, and accounted for 27.0% of total liabilities and shareholders' equity. The most significant changes were: (i) addition of a debentures line, which amounted to R\$2,991.8 million; (ii) reduction in the debt issued abroad line to R\$1,987.7 million (R\$2,384.1 million in Dec'15), which was affected by the appreciation of the Brazilian Real against the US Dollar (the counterpart of this variation is in the financial instruments line); (iii) reduction in the deferred income tax and social contribution line, consisting mainly of deferred tax arising from goodwill amortization, to R\$2,976.1 million (R\$3,272.3 million in Dec'15), due to a write-off of R\$920.9 million in deferred tax related to the sale of CME Group shares recognized in Sep'15; and (iv) an increase in the provision for risks arising from changes in the chances of loss in legal proceedings to 'probable' and provisioning for success fees for cases in which the chances of loss were classified as possible or remote.

Shareholders' equity at the end of Dec'16 stood at R\$19,076.4 million, which represented 61.2% of total liabilities and shareholders' equity, and consisted mainly of R\$14,327.5 million capital reserve and R\$2,540.2 million share capital.

5.4 Other financial information

Investments ^{G4-EC7}

In 2016, investments amounted to R\$223.7 million, of which R\$210.3 million was in technology and infrastructure, in particular for BM&FBOVESPA's new clearinghouse. Total investments were within the R\$200 – R\$230 million budget planned for 2016, as announced in Dec'15.

Budget for adjusted expenses and investments in 2017

In Dec'16, the Company announced its budget for adjusted operating expenses and investments planned for 2017 as follows: (i) adjusted operating expenses budget guidance within R\$675 – R\$705 million; and (ii) investments budget guidance within R\$165 – R\$195 million.

The budget for expenses and investments in 2017 will be reviewed in the event of completion of the business combination with Cetip S.A. – Mercados Organizados.

Distribution of earnings

The Board of Directors declared a payment of R\$900.0 million in interest on capital in 2016.

Value added statement ^{G4-EC1}

The value added by BM&FBOVESPA in 2016 totaled R\$3.04 billion, down on the previous year.

The breakdown of the value added is shown in the table below, being worth mentioning the divestment from CME Group shares; and the payment of interest on capital and dividends.

	2016 R\$ million	2015 R\$ million
Taxes	64	854
Personnel	505	443
Shareholders	900	1,243
Third party	452	246
Divestment from CME Group shares	573	0
Retained	546	961
Total	3,040	3,747

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Specific Standard Disclosures

Material aspects	DMA and indicators	Page	Omissions	Global Compact
Category: Economy				
Economic performance	G4-DMA	20 and 21; 26; 33; 47 to 52		
	G4-EC1	52		
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	G4-EC3	32		
Market presence	G4-DMA	11 and 28		
	G4-EC5	28 and 30		6
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Energy	G4-DMA	38 and 39		
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Material aspects	DMA and indicators	Page	Omissions	Global Compact
Emissions	G4-DMA	38		
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	G4-EN17	38 and 39		7 8
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Products and services	G4-DMA	38		
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Category: Social

Subcategory: Labor practices and decent work

Employment	G4-DMA	22 to 23; 26 and 32		
	G4-LA1	29		6
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Occupational health and safety	G4-DMA	32 and 33		
	G4-LA5	33		
	G4-LA7	32		
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Training and education	G4-DMA	26		
	G4-LA9	27 and 28		6
	G4-LA11	26		6
Diversity and equal opportunity	G4-DMA	27		
	G4-LA12	30		6
Equal remuneration for women and men	G4-DMA	27		
	G4-LA13	31		6
Supplier assessment for labor practices	G4-DMA	33 and 34		
	G4-LA14	33		
	G4-LA15	33		
Labor practices grievance mechanisms	G4-DMA	22 and 23		
	G4-LA16	33		

Subcategory: Human rights

Non-discrimination	G4-DMA	23 and 27		
	G4-HR3	33	Number of cases: confidential information.	6

Material aspects	DMA and indicators	Page	Omissions	Global Compact
Supplier human rights assessment	G4-DMA	33 and 34		
	G4-HR10	33		2
Human rights grievance mechanisms	G4-DMA	33 and 34		
	G4-HR12	33		1
Subcategory: Society				
Local communities	G4-DMA	36 and 37		
	G4-SO1	36		1
Anti-corruption	G4-DMA	22, 23 and 34		
	G4-SO3	34	Percentage not available.	10
	G4-SO4	34		10
	G4-SO5	34		10
Compliance	G4-DMA	34		
	G4-SO8	34		
Supplier assessment for impacts on society	G4-DMA	33 and 34		
	G4-SO9	34		
	G4-SO10	34		
Subcategory: Product responsibility				
Product and service labeling	G4-DMA	23 to 25		
	G4-PR5	There was no satisfaction survey		
Customer privacy	G4-DMA	34		
	G4-PR8	34		
Compliance	G4-DMA	34		
	G4-PR9	34		

Financial Statements

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Balance sheets

December 31, 2016 and 2015

(In thousands of reais)

Assets	Note	BM&FBOVESPA		Consolidated	
		2016	2015	2016	2015
Current assets		13,090,306	8,614,990	11,612,517	8,673,786
Cash and cash equivalents	4(a)	331,978	451,081	319,124	440,845
Financial investments and marketable securities	4(b)	12,426,337	7,728,007	10,964,214	7,798,529
Derivative financial instruments	4(d)	5,600	-	5,600	-
Accounts receivable	5	90,896	74,273	91,645	75,129
Other receivables	6	14,030	160,378	10,289	157,974
Taxes to be offset and recoverable	19(d)	179,553	175,007	179,694	175,011
Prepaid expenses		41,912	26,244	41,951	26,298
Noncurrent assets		17,612,629	17,296,676	19,543,358	17,635,109
Long-term receivables		1,699,835	1,512,136	3,749,282	1,961,426
Financial investments and marketable securities	4(b)	1,517,478	1,368,977	3,564,243	1,815,620
Judicial deposits	14(h)	162,278	140,119	162,760	140,567
Other receivables	6	-	-	2,200	2,200
Prepaid expenses		20,079	3,040	20,079	3,039
Investments		150,574	144,462	29,117	30,635
Investment in subsidiaries	7(a)	150,574	144,462	-	-
Investment properties	7(b)	-	-	29,117	30,635
Property and equipment	8	460,014	450,124	462,753	453,094
Intangible assets	9	15,302,206	15,189,954	15,302,206	15,189,954
Goodwill		14,401,628	14,401,628	14,401,628	14,401,628
Software and projects		900,578	788,326	900,578	788,326
Total assets		30,702,935	25,911,666	31,155,875	26,308,895

Balance sheets

December 31, 2016 and 2015

(In thousands of reais)

Liabilities and equity	Note	BM&FBOVESPA		Consolidated	
		2016	2015	2016	2015
Current liabilities		3,229,631	1,715,602	3,657,832	2,096,785
Collaterals for transactions	17	1,653,835	1,338,010	1,653,835	1,338,010
Earnings and rights on securities in custody	10	52,203	49,224	52,203	49,224
Suppliers		45,388	42,635	45,601	42,708
Salaries and social charges		139,905	116,441	140,535	117,041
Provision for taxes and contributions payable	11	90,041	32,512	93,008	34,551
Income tax and social contribution		8,179	1,064	13,132	4,944
Interest payable on debt issued abroad	12(a)	58,794	70,181	58,794	70,181
Derivative financial instruments	4(d)	405,971	-	405,971	-
Loans	12(b)	373,919	-	373,919	-
Debentures	12(c)	17,495	-	17,495	-
Dividends and interest on equity payable		318,827	2,902	318,827	2,902
Other liabilities	13	65,074	62,633	484,512	437,224
Noncurrent liabilities		8,406,834	5,853,965	8,421,658	5,859,897
Debt issued abroad	12(a)	1,987,669	2,384,084	1,987,669	2,384,084
Loans	12(b)	33,949	-	33,949	-
Debentures	12(c)	2,991,806	-	2,991,806	-
Deferred income tax and social contribution	19	2,976,125	3,272,276	2,976,125	3,272,276
Provisions for tax, civil, labor and other contingencies	14(e)	356,556	113,122	371,380	119,054
Obligation with post-retirement health care benefits	18(d)	21,080	26,122	21,080	26,122
Other liabilities	13	39,649	58,361	39,649	58,361
Equity	15	19,066,470	18,342,099	19,076,385	18,352,213
Capital and reserves attributable to shareholders of BM&FBOVESPA					
Capital		2,540,239	2,540,239	2,540,239	2,540,239
Capital reserve		14,327,523	14,300,310	14,327,523	14,300,310
Revaluation reserves		19,603	20,188	19,603	20,188
Income reserves		2,497,828	1,950,980	2,497,828	1,950,980
Treasury shares		(306,022)	(365,235)	(306,022)	(365,235)
Other comprehensive income		(12,701)	(104,383)	(12,701)	(104,383)
		19,066,470	18,342,099	19,066,470	18,342,099
Non-controlling interests		-	-	9,915	10,114
Total liabilities and equity		30,702,935	25,911,666	31,155,875	26,308,895

Statements of income

Years ended December 31, 2016 and 2015

(In thousands of reais, unless otherwise stated)

				BM&FBOVESPA	Consolidated
	Note	2016	2015	2016	2015
Revenues	20	2,276,411	2,173,466	2,320,781	2,216,634
Expenses		(1,195,882)	(831,698)	(1,226,195)	(850,656)
General and administrative					
Personnel and charges		(490,438)	(429,689)	(505,105)	(443,006)
Data processing		(142,491)	(120,067)	(144,648)	(122,020)
Depreciation and amortization		(96,728)	(109,264)	(98,320)	(110,857)
Third-party services		(44,399)	(39,532)	(45,530)	(41,052)
Maintenance in general		(14,266)	(13,157)	(16,102)	(14,210)
Communications		(5,206)	(5,648)	(5,292)	(5,749)
Promotion and publicity		(11,122)	(11,629)	(11,396)	(11,944)
Taxes and charges		(6,629)	(7,095)	(7,869)	(8,212)
Board and committee members' compensation		(9,798)	(9,149)	(9,798)	(9,149)
Transactions with CETIP		(65,629)	-	(65,629)	-
Sundry expenses	21	(309,176)	(86,468)	(316,506)	(84,457)
Impairment of assets	9	-	(1,662,681)	-	(1,662,681)
Equity pickup	7(a)	12,590	157,146	-	136,245
Equity method discontinued	7(a)	-	1,734,889	-	1,734,889
Gain on disposal of investment in associates	7(a)	-	723,995	-	723,995
Financial result	22	146,348	505,104	151,984	508,796
Financial income		1,160,555	740,466	1,167,300	745,707
Financial expenses		(441,407)	(235,362)	(442,516)	(236,911)
Disposal of CME Group's shares	4(c)	(572,800)	-	(572,800)	-
Income before income taxes		1,239,467	2,800,221	1,246,570	2,807,222
Income tax and social contribution	19(c)	206,796	(597,983)	199,494	(603,764)
Current taxes		(137,089)	(39,777)	(144,391)	(45,558)
Deferred taxes		343,885	(558,206)	343,885	(558,206)
Net income for the year		1,446,263	2,202,238	1,446,064	2,203,458
Attributable to:					
Shareholders of BM&FBOVESPA		1,446,263	2,202,238	1,446,263	2,202,238
Non-controlling interests				(199)	1,220
Earnings per share attributable to shareholders of BM&FBOVESPA (in R\$ per share)	15(h)				
Basic earnings per share				0.809357	1.229001
Diluted earnings per share				0.803555	1.219860

Statements of comprehensive income

Years ended December 31, 2016 and 2015

(In thousands of reais)

	Note	BM&FBOVESPA		Consolidated	
		2016	2015	2016	2015
Net income for the year		1,446,263	2,202,238	1,446,064	2,203,458
Other comprehensive income to be reclassified to income for the year in subsequent periods		98,305	(1,112,187)	98,305	(1,112,187)
Translation adjustments					
Exchange rate variation on investment in foreign associate	7(a)	(956)	1,718,604	(956)	1,718,604
Exchange rate variation on available-for-sale financial assets, net of taxes		(333,988)	35,969	(333,988)	35,969
Transfer of exchange rate variation to income due to disposal of investments	7(a)	-	(600,793)	-	(600,793)
Transfer of exchange rate variation to income due to disposal of available-for-sale securities, net of taxes	4(c)	272,938	-	272,938	-
Transfer of exchange rate variation to income due to equity method discontinued	7(a)	-	(2,403,173)	-	(2,403,173)
		(62,006)	(1,249,393)	(62,006)	(1,249,393)
Hedge of net foreign investment					
Hedge instrument value, net of taxes		-	(488,380)	-	(488,380)
Transfer to income due to equity method discontinued, net of taxes		-	848,959	-	848,959
		-	360,579	-	360,579
Cash flow hedge					
Cash flow hedge instrument value, net of taxes	4(d)	14,755	-	14,755	-
Cash flow hedge instrument value - discontinued, net of taxes	4(c)	45,139	-	45,139	-
Cash flow hedge instrument value - firm commitment, net of taxes		(3,747)	(14,489)	(3,747)	(14,489)
Exchange rate variation of cash flow hedge instrument - discontinued, net of taxes		95,366	-	95,366	-
Transfer from exchange rate variation to income for the period due to disposal of the hedged item, net of taxes	4(c)	(79,411)	-	(79,411)	-
Transfer to income and non-financial asset, net of taxes	4(d)	2,282	-	2,282	-
Transfer of marked-to-market to income due to disposal of the hedged item, net of taxes	4(c)	(45,139)	-	(45,139)	-
		29,245	(14,489)	29,245	(14,489)
Available-for-sale financial instruments					
Marked-to-market of available-for-sale financial assets, net of taxes		(24,215)	(133,687)	(24,215)	(133,687)
Transfer of exchange rate variation to income due to disposal of available-for-sale securities, net of taxes	4(c)	155,303	-	155,303	-
		131,088	(133,687)	131,088	(133,687)
Comprehensive income of subsidiary and associate					
Comprehensive income of subsidiary	7(a)	(22)	9	(22)	9
Comprehensive income of foreign associate	7(a)	-	7,774	-	7,774
Transfer of comprehensive income of foreign associate to income - equity method discontinued	7(a)	-	(66,384)	-	(66,384)
Transfer of comprehensive income of foreign associate to income - disposal of investment	7(a)	-	(16,596)	-	(16,596)
		(22)	(75,197)	(22)	(75,197)
Other comprehensive income not reclassified to income for the year in subsequent periods					
Actuarial gains (losses) on post-retirement health care benefits, net of taxes	18(d)	(6,623)	3,099	(6,623)	3,099
Total comprehensive income for the year		1,537,945	1,093,150	1,537,746	1,094,370
Attributable to:					
Shareholders of BM&FBOVESPA		1,537,945	1,093,150	1,537,945	1,093,150
Non-controlling interests		-	-	(199)	1,220

Statements of changes in equity

Years ended December 31, 2016 and 2015

(In thousands of reais)

Attributable to shareholders of BM&FBOVESPA

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, 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
Translation adjustments		-	-	-	-	-	-	(1,249,393)	-	-	(1,249,393)	-	(1,249,393)
Hedge of net foreign investment		-	-	-	-	-	-	360,579	-	-	360,579	-	360,579
Cash flow hedge		-	-	-	-	-	-	(14,489)	-	-	(14,489)	-	(14,489)
Available-for-sale financial instruments		-	-	-	-	-	-	(133,687)	-	-	(133,687)	-	(133,687)
Comprehensive income of subsidiary and associate		-	-	-	-	-	-	(75,197)	-	-	(75,197)	-	(75,197)
Actuarial gains on post-retirement health care benefits		-	-	-	-	-	-	3,099	-	-	3,099	-	3,099
Total comprehensive income		-	-	-	-	-	-	(1,109,088)	-	-	(1,109,088)	-	(1,109,088)
Realization of revaluation reserve - subsidiaries		-	-	(586)	-	-	-	-	-	586	-	-	-
Share buyback	15(b)	-	-	-	-	-	(287,030)	-	-	-	(287,030)	-	(287,030)
Disposal of treasury shares - exercise of stock options		-	(197)	-	-	-	1,094	-	-	-	897	-	897
Cancelation of treasury shares	15(b)	-	(903,975)	-	-	-	903,975	-	-	-	-	-	-
Payment in cash at fair value - options		-	(56,198)	-	-	-	-	-	-	-	(56,198)	-	(56,198)
Recognition of stock option plan	18(a)	-	276	-	-	-	-	-	-	-	276	-	276
Recognition of stock grant plan	18(b)	-	40,050	-	-	-	-	-	-	-	40,050	-	40,050
Approval/payment of dividend		-	-	-	-	-	-	-	(185,941)	-	(185,941)	-	(185,941)
Net income for the year		-	-	-	-	-	-	-	-	2,202,238	2,202,238	1,220	2,203,458
Allocations of profit:													
Dividends	15(g)	-	-	-	-	-	-	-	-	(223,581)	(223,581)	-	(223,581)
Interest on equity	15(g)	-	-	-	-	-	-	-	-	(1,019,033)	(1,019,033)	-	(1,019,033)
Set up of statutory reserves		-	-	-	-	960,210	-	-	-	(960,210)	-	-	-
Balances at December 31, 2015		2,540,239	14,300,310	20,188	3,453	1,947,527	(365,235)	(104,383)	-	-	18,342,099	10,114	18,352,213
Translation adjustments		-	-	-	-	-	-	(62,006)	-	-	(62,006)	-	(62,006)
Cash flow hedge		-	-	-	-	-	-	29,245	-	-	29,245	-	29,245
Available-for-sale financial instruments		-	-	-	-	-	-	131,088	-	-	131,088	-	131,088
Comprehensive income of subsidiary	7	-	-	-	-	-	-	(22)	-	-	(22)	-	(22)
Actuarial gains on post-retirement health care benefits		-	-	-	-	-	-	(6,623)	-	-	(6,623)	-	(6,623)
Total comprehensive income		-	-	-	-	-	-	91,682	-	-	91,682	-	91,682
Realization of revaluation reserve - subsidiaries		-	-	(585)	-	-	-	-	-	585	-	-	-
Transfer of treasury shares - stock option plan	18(b)	-	(59,213)	-	-	-	59,213	-	-	-	-	-	-
Recognition of stock option plan	18(a)	-	267	-	-	-	-	-	-	-	267	-	267
Recognition of stock grant plan	18(b)	-	86,159	-	-	-	-	-	-	-	86,159	-	86,159
Net income for the year		-	-	-	-	-	-	-	-	1,446,263	1,446,263	(199)	1,446,064
Allocations of profit:													
Interest on equity	15(g)	-	-	-	-	-	-	-	-	(900,000)	(900,000)	-	(900,000)
Set up of statutory reserves		-	-	-	-	546,848	-	-	-	(546,848)	-	-	-
Balances as at December 31, 2016		2,540,239	14,327,523	19,603	3,453	2,494,375	(306,022)	(12,701)	-	-	19,066,470	9,915	19,076,385

Statements of cash flows

Years ended December 31, 2016 and 2015

(In thousands of reais)

	Note	BM&FBOVESPA		Consolidated	
		2016	2015	2016	2015
Cash flows from operating activities					
Net income for the year		1,446,263	2,202,238	1,446,064	2,203,458
Adjustments for:					
Depreciation/amortization	8 and 9	96,728	109,264	98,321	110,857
Gain (loss) on sale of property and equipment		346	(350)	346	(350)
Write-off of software and projects	9	-	6,463	-	6,463
Gain (loss) on disposal of investment		460,509	(723,995)	460,509	(723,995)
Gain (loss) on equity method discontinued	7(a)	-	(1,734,889)	-	(1,734,889)
Impairment of assets		-	1,662,681	-	1,662,681
Deferred income tax and social contribution:		(343,885)	558,206	(343,885)	558,206
Equity pickup	7(a)	(12,590)	(157,146)	-	(136,245)
Variation in non-controlling interests		-	-	(978)	1,160
Stock option and stock grant plan expenses	18	86,426	40,326	86,426	40,326
Interest expenses	22	152,093	138,064	152,093	138,064
Provision for tax, civil and labor contingencies		241,161	13,911	250,073	13,911
Allowance for doubtful accounts		713	1,664	713	1,664
Derivative financial instruments - swap	4(d)	399,936	-	399,936	-
Exchange rate variation - Hedge		(216,610)	-	(216,610)	-
Exchange rate variation - funding		(34,065)	-	(34,065)	-
Marked-to-market of fundraising		(2,287)	-	(2,287)	-
Marked-to-market of Non-Deliverable Forward (NDF)		8,779	-	8,779	-
Variation in financial investments, marketable securities and collateral for transactions		(9,370,517)	(6,019,661)	(9,437,993)	(6,182,168)
Effect of exchange rate variation on cash flow hedge		(2,220)	2,220	(2,220)	2,220
Transfer from investment to available-for-sale financial asset		-	4,958,023	-	4,958,023
Variation in taxes to be offset and recoverable		(4,546)	(8,863)	(4,683)	(8,857)
Variation in accounts receivable		(17,336)	(19,340)	(17,230)	(19,222)
Variation in other receivables		11,069	(88,579)	12,404	(85,655)
Variation in prepaid expenses		(32,710)	4,413	(32,693)	4,387
Variation in judicial deposits		(22,159)	(20,249)	(22,193)	(20,282)
Variation in earnings and rights on securities under custody		2,979	2,935	2,979	2,935
Variation in suppliers		2,752	(23,511)	2,893	(23,533)
Variation in provisions for taxes and contributions payable		57,529	8,396	58,456	9,138
Variation in income tax and social contribution		7,115	1,064	8,188	2,815
Variation in salaries and social charges		23,464	44,633	23,494	44,768
Variation in other liabilities		(16,271)	16,679	28,576	138,849
Variation in provision for tax, civil, and labor contingencies		2,273	1,550	2,252	2,154
Variation in post-retirement health care benefits		(15,076)	2,446	(15,076)	2,446
Net cash from (used in) operating activities		(7,090,137)	978,593	(7,087,411)	969,329
Cash flows from investing activities					
Amount received for the disposal of property and equipment		2,149	727	2,355	1,140
Payment for purchase of property and equipment		(45,119)	(73,093)	(45,169)	(73,867)
Dividends and interest on equity received		140,780	86,633	135,280	82,633
Settlement of derivative financial instrument - NDF		68,392	-	68,392	-
Disposal of investment - CME		4,309,172	1,208,662	4,309,172	1,208,662
Purchase of software and projects	9	(176,246)	(154,052)	(176,246)	(154,052)
Net cash from investing activities		4,299,128	1,068,877	4,293,784	1,064,516
Cash flows from financing activities					
Disposal of treasury shares - stock options exercised		-	897	-	897
Payment for cancellation of stock options	18(a)	-	(56,198)	-	(56,198)
Share buyback	15(b)	-	(287,030)	-	(287,030)
Variation in financing		(575)	(767)	(575)	(767)
Debentures issued	12(c)	2,991,691	-	2,991,691	-
Loans taken out		421,400	-	421,400	-
Interest paid	12	(143,774)	(113,664)	(143,774)	(113,664)
Payment of dividends and interest on equity		(584,075)	(1,427,340)	(584,075)	(1,427,340)
Net cash from (used in) financing activities		2,684,667	(1,884,102)	2,684,667	(1,884,102)
Net increase (decrease) in cash and cash equivalents		(106,342)	163,368	(108,960)	149,743
Balance of cash and cash equivalents at beginning of year	4(a)	275,365	111,997	265,129	115,386
Balance of cash and cash equivalents at end of year	4(a)	169,023	275,365	156,169	265,129

Statements of value added

Years ended December 31, 2016 and 2015

(In thousands of reais)

	Note	BM&FBOVESPA		Consolidated	
		2016	2015	2016	2015
1 - Revenues	20	2.528.986	2.412.603	2.576.426	2.458.847
Trading and settlement system		2.028.271	1.977.562	2.028.245	1.977.547
Other revenues		500.715	435.041	548.181	481.300
2 - Goods and services acquired from third parties		592.289	1.939.182	605.103	1.942.113
Expenses (a)		592.289	276.501	605.103	279.432
Impairment of assets	9	-	1.662.681	-	1.662.681
3 - Gross value added (1-2)		1.936.697	473.421	1.971.323	516.734
4 - Retentions		96.728	109.264	98.320	110.857
Depreciation and amortization	8 e 9	96.728	109.264	98.320	110.857
5 - Net value added produced by the Company (3-4)		1.839.969	364.157	1.873.003	405.877
6 - Value added received in transfer		1.173.145	3.356.496	1.167.300	3.340.836
Equity pickup	7(a)	12.590	157.146	-	136.245
Financial income	22	1.160.555	740.466	1.167.300	745.707
Equity method discontinued	7(a)	-	1.734.889	-	1.734.889
Gain on disposal of investment in associates	7(a)	-	723.995	-	723.995
7 - Total value added to be distributed (5+6)		3.013.114	3.720.653	3.040.303	3.746.713
8 - Distribution of value added		3.013.114	3.720.653	3.040.303	3.746.713
Personnel and charges		490.438	429.689	505.105	443.006
Board and committee members' compensation		9.798	9.149	9.798	9.149
Taxes, charges and contributions (b)					
Federal		16.366	811.812	27.026	820.996
Municipal		36.042	32.403	36.994	33.193
Financial expenses	22	441.407	235.362	442.516	236.911
Disposal of CME Group's shares	4(c)	572.800	-	572.800	-
Interest on equity and dividends	15(g)	900.000	1.242.614	900.000	1.242.614
Set up of statutory reserves		546.263	959.624	546.064	960.844

(a) Expenses (excludes personnel, board and committee members' compensation, depreciation, taxes and charges).

(b) Includes: taxes and charges, Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS), Service Tax (ISS), current and deferred income tax and social contribution (IRPJ and CSLL).

Notes to The Financial Statements

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, through 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.

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.

As part of the strategic partnership between BM&FBOVESPA and CME Group, in the third quarter of 2015, BM&FBOVESPA organized the wholly-owned subsidiary BM&FBOVESPA BRV LLC registered in Delaware (USA), in order to ensure to the parties the full exercise of the rights contractually agreed upon. BM&FBOVESPA BRV LLC, jointly with BM&FBOVESPA, is co-owner of all intellectual property rights related to the stock module of PUMA Trading System platform and any other modules jointly developed by the parties, the ownership of which is assigned to BM&FBOVESPA. Since this Company is a subsidiary engaged in protecting rights, this special purpose entity is not expected to have operating activities.

Business combination

As disclosed in the material facts release of April 15, 2016, the Board of Directors of BM&FBOVESPA, of Companhia São José Holding (“Holding Company”) and of CETIP S.A. - Mercados Organizados (“CETIP”) entered into a merger agreement for the purposes of the corporate reorganization process described below: (a) the merger into the Holding Company of the shares issued by CETIP, whose total shares are owned by BM&FBOVESPA; and (b) the subsequent merger of the Holding Company into BM&FBOVESPA. At the Special General Meetings held on May 20, 2016, the corporate reorganization process was approved by the shareholders.

Under article 125 of the Civil Code, this transaction is subject to (“Conditions Precedent”): (a) approval of the Transaction by the Administrative Council for Economic Defense (CADE); (b) approval of the Transaction by the Brazilian Securities Commission (CVM), under the applicable regulations; and (c) submission and analysis of the Transaction by the Central Bank of Brazil, under the terms and limits of the applicable regulation.

The combination of activities between BM&FBOVESPA and CETIP is under analysis by regulators and, while the approvals are pending, both companies are working on combination planning, maintaining their managements, structures and activities fully independent.

2. Preparation and presentation of financial statements

These financial statements were approved by the Board of Directors of BM&FBOVESPA on February 17, 2016.

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

All significant information used by Management in managing BM&FBOVESPA is evidenced in these Financial Statements according to Technical Guidelines OCPC 07.

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:

Subsidiaries and controlled entities	Interest held (%)	
	2016	2015
Banco BM&FBOVESPA de Serviços de Liquidação e Custódia S.A. ("Banco BM&FBOVESPA")	100.00	100.00
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
BM&FBOVESPA BRV LLC	100.00	100.00
Companhia São José Holding	100.00	-

Exclusive investment funds:

- Bradesco Fundo de Investimento Renda Fixa Letters;
- BB Pau Brasil Fundo de Investimento Renda Fixa;
- Bradesco Fundo de Investimento Renda Fixa Longo Prazo Eucalipto;
- Imbuia FI Renda Fixa Referenciado DI.

b) Individual financial statements

The individual financial statements (BM&FBOVESPA) 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 11638/07 and 11941/09, and the pronouncements, interpretations and guidelines of the Brazilian Accounting Pronouncements Committee (CPC), approved by the Brazilian Securities Commission (CVM).

c) Functional currency

The individual and consolidated financial statements were prepared and are presented in Brazilian reais, which is the functional currency of BM&FBOVESPA.

3. Significant accounting practices

a) Consolidation

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

Subsidiaries

The consolidated financial statements include the financial statements of BM&FBOVESPA and of its subsidiaries at December 31, 2016. BM&FBOVESPA holds control over the subsidiaries whenever it is exposed or is entitled to variable earnings based on its involvement with the investee and whenever it has the capacity of influencing these earnings through its power exercised.

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 investments in CME Group, the corresponding financial statements were originally prepared pursuant to the United States accounting standards (USGAAP), adjusted to the accounting standards effective in Brazil before calculation of the referred to equity pickup. In September 2015, BM&FBOVESPA disposed of part of its shares held in CME Group, which is therefore no longer considered an associate.

Equity method discontinued

When there is loss of significant influence over an associate, the equity method is discontinued and any remaining interest in the investee is remeasured at its fair value, and effects therefrom are recognized in P&L for the period. The amounts recognized in equity, under other comprehensive income, related to the investee are reclassified by BM&FBOVESPA from equity - other comprehensive income to P&L for the period, according to the criteria defined in CPC 18 (R2)/IAS 28.

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 in P&L over the contractual term.

c) Financial instruments

i) Classification and measurement

BM&FBOVESPA initially classifies its financial assets and liabilities depending on their characteristic and purpose of acquisition.

Cash and cash equivalents

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

Receivables

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

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 income statement under "Financial result" for the period in which they occur.

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 category. 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 income statement as finance income. The amount relating to the changes in fair value is recorded in comprehensive income, net of taxes, and is transferred to the income statement when the asset is sold or becomes impaired.

Loans and debentures

Loans and debentures are initially recognized at fair value, net of transaction costs incurred, and subsequently stated 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.

Collaterals for transactions

These 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.

ii) Derivative financial instruments

BM&FBOVESPA uses derivative financial instruments to hedge its assets and liabilities against market risks, especially those related to foreign currencies.

Derivative financial instruments designated in hedging transactions are initially recognized at fair value on the date in which the derivative agreement is entered into, being subsequently revaluated also at fair value. Derivatives are recorded as financial assets when the financial instrument fair value is positive, and as financial liabilities when fair value is negative.

Any gains or losses from changes in fair value of derivatives during the fiscal year are recorded directly in P&L, except for the effective portion of the cash flow hedge, which is recognized directly under equity in other comprehensive income, and subsequently reclassified to P&L when the hedge item affects P&L.

iii) Hedge accounting

Upon entering a hedging transaction, BM&FBOVESPA prepares formal documentation containing: (i) hedge objective; (ii) hedge type; (iii) nature of hedged risk; (iv) identification of hedged item; (v) identification of hedging instrument; (vi) assessment of the correlation between hedge and hedged item (retrospective effectiveness test); and (vii) prospective effectiveness assessment. Hedge accounting is applied in accordance with the criteria defined in CPC 38/IAS 39.

Fair value hedge

Any gain or loss from changes in the fair value of derivative instruments designated as hedging instruments, as well as hedged assets or liabilities (hedged item) are recognized in Financial result.

Cash flow hedge

Any gain or loss in the hedging instrument related to the effective hedge portion is recognized under equity, in "Other comprehensive income", net of tax effects. Consequently, the exchange rate variation in hedging instruments, previously recognized in financial result prior to its recognition as a hedging instrument, accumulates in equity and is transferred to P&L 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 P&L.

Hedge effectiveness analysis

BM&FBOVESPA adopts the dollar offset method as the methodology for retrospective effectiveness test, which takes into consideration the ratio at fair value or present value of accumulated gains or losses in the hedging instrument with gains or losses on hedged item for hedged risk. The approaches used for analyses consist of the hypothetical derivative approach and benchmark rate approach for retrospective tests and sensitivity analysis approach for prospective tests. BM&FBOVESPA assesses whether the results from tests carried out are within the range from 80% to 125% of effectiveness.

d) Noncurrent assets held for sale

Noncurrent assets 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.

e) 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.

Expenditures 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.

f) 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 P&L, as incurred.

Depreciation expense is recognized in P&L unless it is included in the carrying amount of another asset. Depreciation of property and equipment used for development activities is included as part of the cost of the related intangible asset.

g) Contingent assets and liabilities, provisions for tax, civil and labor contingencies, and legal obligations

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

h) Judicial deposits

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

i) 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.

j) Impairment of assets

Assets that have an indefinite life, such as goodwill, are not subject to amortization and are tested annually for impairment, and in case of indications of possible impairment, they are reassessed in shorter periods. The assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount 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 test, 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.

k) 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

BM&FBOVESPA maintains a long-term remuneration plan. By 2014, BM&FBOVESPA had granted stock options under the “Stock Option Plan” and there is an inventory of outstanding shares not yet exercised therefrom. From 2015 onwards, BM&FBOVESPA started to grant shares under the “Stock Grant 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 and 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 and shares 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.

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 P&L under the accrual method of accounting.

iv) Other post-employment obligations

BM&FBOVESPA offers post-retirement health care 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 (R1) - Employee Benefits, based on actuarial calculation prepared by an independent actuary, according to Note 18(d).

l) Foreign currency translation

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 comprehensive income relating to hedging transactions of a foreign investment.

Exchange rate variation of foreign investment, whose functional currency is different from that of BM&FBOVESPA, is recorded under “Equity adjustments” in comprehensive income, and are only taken to the P&L for the period when the investment is sold or written off.

m) Taxes

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 tax and social contribution for the year of BM&FBOVESPA and Banco BM&FBOVESPA are calculated at 15%, plus a 10% surtax on taxable profit exceeding R\$240 for income tax, and 9% (20% for Banco BM&FBOVESPA) on taxable profit for social contribution tax on net profit, and take into account the offset of income tax and social contribution losses, if any, limited to 30% of taxable profit.

Deferred income tax and social contribution 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 Bolsa de Valores do Rio de Janeiro (BVRJ) is a not-for-profit entity and, therefore, exempt from income tax and social contribution.

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 recorded in P&L under “Revenues”.

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

Bolsa de Valores do Rio de Janeiro (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.

n) 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.

o) 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 financial statements 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.

p) 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.

q) 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 that require higher degree of judgment, as well as those where the assumptions and estimates are significant for the consolidated financial statements, are the following:

- Equity pickup – Note 3(a)
- Impairment of assets – Notes 3(j) and 9
- Financial instrument fair value calculation and classification - Note 3(c)
- Share-based payment – Note 3(k)
- Post-retirement health care plan – Note 18(c)
- Provisions for tax, civil and labor contingencies, contingent assets and liabilities (Note 14)
- Estimated useful lives of property and equipment and intangible assets

r) Accounting pronouncements recently issued and applicable to future periods

The pronouncements below have already been published by IASB and are mandatory for the subsequent fiscal years, without early adoption by BM&FBOVESPA. Such pronouncements will be adopted after a technical pronouncement is issued by the Brazilian Financial Accounting Standards Board (CPC), and after their approval by the Brazilian Securities and Exchange Commission (CVM).

- IFRS 15 – Revenue from Contracts with Customers – Issued in May 2014, and effective on or after January 1, 2018. 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.
- IFRS 16 - Leases – Issued in January 2016, effective as from January 2019, replaces IAS 17 - Leases. IFRS 16 establishes principles for lessors and lessees to identify, recognize, measure, present and disclose leases.

No significant impacts from these new standards were detected for BM&FBOVESPA financial statements.

s) 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, financial investments, marketable securities and derivative financial instruments

a) Cash and cash equivalents

Description	BM&FBOVESPA		Consolidated	
	2016	2015	2016	2015
Cash and bank deposits in local currency	14,528	12,435	256	208
Bank deposits in foreign currency	154,495	262,930	155,913	264,921
Cash and cash equivalents	169,023	275,365	156,169	265,129
Bank deposits in foreign currency				
Third-party funds (1)	162,955	175,716	162,955	175,716
Total cash and cash equivalents	331,978	451,081	319,124	440,845

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

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

b) Financial investments and marketable securities

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

Description	BM&FBOVESPA						2016	2015
	Without maturity	Within 3 months	Between 3 and 12 months	Between 12 months and 5 years	More than 5 years			
Financial assets measured at fair value through profit or loss								
Financial investment funds (1)	12,054,936	-	-	-	-	12,054,936	2,827,776	
Government securities								
Financial Treasury Bills	-	2,018	165,750	1,360,494	156,966	1,685,228	1,369,000	
National Treasury Bills	-	-	-	18	-	18	32,997	
Other investments (3)	12,047	-	-	-	-	12,047	13,610	
	12,066,983	2,018	165,750	1,360,512	156,966	13,752,229	4,243,383	
Financial assets available for sale								
Shares								
CME Group (Note 4 (c))	-	-	-	-	-	-	4,805,033	
Other (5)	191,586	-	-	-	-	191,586	48,568	
	191,586	-	-	-	-	191,586	4,853,601	
Total financial investments and marketable securities	12,258,569	2,018	165,750	1,360,512	156,966	13,943,815	9,096,984	
Current						12,426,337	7,728,007	
Noncurrent						1,517,478	1,368,977	

Description	Consolidated						2016	2015
	Without maturity	Within 3 months	Between 3 and 12 months	Between 12 months and 5 years	More than 5 years			
Financial assets measured at fair value through profit or loss								
Financial investment fund (4)	3,293,533	-	-	-	-	3,293,533	331,358	
Interest-bearing account - foreign deposits	1,226	-	-	-	-	1,226	1,787	
Repurchase agreements (2)	-	6,886,904	19,947	-	172,480	7,079,331	2,387,715	
Government securities								
Financial Treasury Bills	-	2,018	544,958	2,873,579	435,729	3,856,284	1,777,007	
National Treasury Bills	-	-	-	18	-	18	165,400	
Other investments (3)	12,049	-	-	-	-	12,049	13,611	
	3,306,808	6,888,922	564,905	2,873,597	608,209	14,242,441	4,676,878	
Financial assets available for sale								
Government securities								
Financial Treasury Bills	-	6,070	5,867	78,265	4,099	94,301	82,948	
National Treasury Bills	-	56	-	31	-	87	365	
National Treasury Notes	-	-	-	30	12	42	357	
Shares								
CME Group (Note 4 (c))	-	-	-	-	-	-	4,805,033	
Other (5)	191,586	-	-	-	-	191,586	48,568	
	191,586	6,126	5,867	78,326	4,111	286,016	4,937,271	
Total financial investments and marketable securities	3,498,394	6,895,048	570,772	2,951,923	612,320	14,528,457	9,614,149	
Current						10,964,214	7,798,529	
Noncurrent						3,564,243	1,815,620	

(1) Refers to investments in financial investment funds, whose portfolios mainly comprise investments in federal government securities and government-bond-backed 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.

The net assets of the main investment funds included in the consolidation process of the financial statements are: (i) Bradesco FI Renda Fixa Letters – R\$4,580,778 (R\$1,776,830 at December 31, 2015); (ii) BB Pau Brasil FI Renda Fixa - R\$2,307,655 (R\$502,002 at December 31, 2015); (iii) Bradesco FI Renda Fixa Longo Prazo Eucalipto – R\$1,661,262 (R\$217,586 at December 31, 2015); and (iv) Imbuia FI Renda Referenciado DI – R\$211,708.

(2) Issued by first-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, amounting to R\$24,225 (R\$30,071 at December 31, 2015); (ii) Araucária Renda Fixa FI – R\$1,509,559 (R\$207,818 at December 31, 2015); and (iii) Santander Fundo de Investimento Cedro Renda Fixa - R\$1,759,749 (R\$93,469 at December 31, 2015).

(5) These basically refer to shares of Santiago Stock Exchange amounting to R\$44,231 (R\$48,565 at December 31, 2015), Mexico Stock Exchange - R\$103,785 and Colombia Stock Exchange - R\$43,565, acquired by BM&FBOVESPA within its strategy to explore opportunities of partnerships with other stock exchanges, classified as available for sale.

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; the shares are in the custody of BM&FBOVESPA's Equity and Corporate Debt Clearinghouse; the Santiago Stock Exchange, Mexico Stock Exchange and Colombia Stock Exchange shares are in the custody of BTG Pactual Chile, Mexico and Colombia, respectively.

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, 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.

c) Disposal of shares – CME Group Inc.

To raise funds to meet the needs of BM&FBOVESPA as regards the business combination proposal with CETIP S.A. - Mercados Organizados ("CETIP") in April 2016, BM&FBOVESPA disposed of all shares that it held in CME Group (equivalent to 13,582,176 Class A Common Stocks, or 4% of total shares issued by CME Group) for R\$4,309,172, as informed on April 7, 2016 through a material facts release.

The loss recorded for the period on the disposal of shares of CME Group reflects the variations in share price and in the US dollar quotation after the reclassification of shares from “Investment in associate”, measured under the equity method, to “Financial investments and marketable securities - available for sale”, measured at fair value, in September 2015, in addition to other impacts as follows:

	<u>Accumulated 2016</u>
Reclassification of other comprehensive income	
Mark-to-market of shares	(235,308)
Exchange rate variation of shares	(413,543)
Income from cash flow hedging instruments	
Non-Deliverable Forwards (NDF) (1)	68,392
Exchange rate variation of foreign debt securities	120,319
PIS and COFINS	(112,291)
Other	(369)
Gross loss on disposal of CME Group’s shares	(572,800)
Write-off of taxes recoverable CME GROUP (2) (3)	(144,674)
Income tax and social contribution - current (3)	(378,950)
Income tax and social contribution - deferred	920,875
Net loss on disposal of CME Group’s shares	(175,549)

- (1) This refers to income on early settlement of Non-Deliverable Forwards hedging (cash flow hedge) the shares of CME Group against currency risk, as mentioned in Note 4 (d).
- (2) The income tax paid by CME Group abroad could be offset against IRPJ and CSLL due in Brazil by BM&FBOVESPA solely on profits generated by this ownership interest. Due to this limitation, the balance of the income tax paid by CME Group not used in prior periods and accumulated for offset in future periods was written off as a result of the disposal of all its shares by BM&FBOVESPA.
- (3) BM&FBOVESPA reviewed the tax treatment of the book value portion of this investment corresponding to the accumulated exchange variation for the period in which this investment was measured under the equity method (through September 2015), and began considering the portion of this exchange variation as part of the acquisition cost for purposes of determining capital gain, thus reducing the tax base for the 2015 and 2016 periods. Accordingly, IRPJ and CSLL tax bases were reviewed, with reversal of a portion of the provision amounting to R\$381,727 and recording of a deferred tax credit amounting to R\$49,951.

d) Derivative financial instruments

Fair value hierarchy

Financial assets and liabilities measured at fair value of BM&FBOVESPA are recognized at quoted prices (unadjusted) in active market (Level 1), except for derivative financial instruments together with the principal of the debt issued abroad due to hedge accounting and for Santiago Stock Exchange shares, classified as Level 3. Trade accounts receivable and payable approximate their book value given their short-term maturities, and the fair values of related parties equal their book values.

BM&FBOVESPA reclassified Santiago Stock Exchange from Level 2 to Level 3, adopting the profitability method, the shares of the future dividend flow discounted to present value. BM&FBOVESPA investment held in Santiago Stock Exchange, which is classified as Level 3, is periodically tested so its book value will not exceed its fair value.

Future dividend flow was projected considering a five-year explicit flow (2017 to 2021), and its main assumptions were: (i) history of dividend payment by Santiago Stock Exchange, (ii) interest held by BM&FBOVESPA in December 2016 and (iii) perpetuity, which was determined by extrapolating the 2021 cash flow at a growth rate equivalent to that expected for the Chilean nominal GDP in the long term.

	Santiago Stock Exchange Shares
Balance at 12/31/2015	<u>48,565</u>
Purchase	8,459
Mark to market	(7,001)
Exchange rate variation	<u>(5,792)</u>
Balance at 12/31/2016	44,231

Classification of financial instruments

	BM&FBOVESPA		Consolidated	
	2016	2015	2016	2015
Financial assets				
Measured at fair value through profit or loss				
Financial investments and marketable securities	13,752,229	4,243,383	14,242,441	4,676,878
Designated as hedge				
Derivative financial instruments	5,600	-	5,600	-
Available for sale				
Government securities	-	-	94,430	83,670
Shares	191,586	4,853,601	191,586	4,853,601
Receivables				
Accounts receivable	90,896	74,273	91,645	75,129
Related parties	1,363	1,248	305	213
Total assets	14,041,674	9,172,505	14,626,007	9,689,491
Financial liabilities				
Liabilities measured at amortized cost				
Interest payable on debt issued abroad	58,794	70,181	58,794	70,181
Loans	407,868	-	407,868	-
Debentures	3,009,301	-	3,009,301	-
Measured at fair value through profit or loss				
Collaterals for transactions	1,653,835	1,338,010	1,653,835	1,338,010
Suppliers	45,388	42,635	45,601	42,708
Related parties	48,653	82,914	48,587	82,692
Designated as hedge				
Debt issued abroad	1,987,669	2,384,084	1,987,669	2,384,084
Derivative financial instruments	405,971	-	405,971	-
Total liabilities	7,617,479	3,917,824	7,617,626	3,917,675

Derivative financial instruments

Risk factor – interest rate

Derivative financial instruments comprise future interest rate contracts (DI1) stated at their market values. These contracts are included in the investment fund portfolios BB Pau Brasil Fundo de Investimento Renda Fixa and 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 negative market value of R\$302 (R\$173 at December 31, 2015). DI1 contracts have the same maturity dates as the fixed interest rate contracts to which they relate.

Risk factor - currency

BM&FBOVESPA entered into derivative financial instruments to hedge against the risk of exchange rate fluctuations. In 2016, there are hedging contracts for the total principal of foreign debt, part of half-yearly interest and for approximately 90% of the position in Mexican pesos regarding the Mexican Stock Exchange shares.

Fair value hedge

In March 2016, BM&FBOVESPA entered into swap transactions with a first-tier financial institution to hedge against impacts from the exchange rate variation related to the principal of debt securities issued abroad in 2010 (Note 12), due to the discontinuance of the cash flow hedge previously adopted.

BM&FBOVESPA adopted the fair value hedge accounting for accounting records. Accordingly, both the hedged loan principal and the hedging instrument (swap) are measured at fair value against P&L, thus hedging P&L from the impacts of exchange rate variation.

At December 31, 2016, swap transaction amounts measured at fair value are as follows:

Financial instrument	Assets /Liabilities	Reference value	Maturity of transaction	Average interest	Curve value	BM&FBOVESPA and Consolidated	
						Fair value adjustment	Book balance
Swap	Assets	US\$ 612,000	04/03/2017	-	1,995,340	(3,058)	1,992,282
	Liabilities	R\$ 2,166,800		79.07% of CDI	(2,392,218)	-	(2,392,218)
Swap result					(396,878)	(3,058)	(399,936)

For the year, hedge had no significant element of inefficiency.

Cash flow hedge

Hedged item	Hedging instrument	Reference value	Reference value – R\$	Maturity of transaction	BM&FBOVESPA and Consolidated			
					Fair value (4)		Gain/(Loss)	
					Assets	Liabilities	Financial income (expense)	Equity
CME Group shares (1)	NDF	USD 1,262,000	4,653,974	07/01/2016	-	-	68,392	-
4 interest installments – foreign debt (2)	NDF	USD 19,800	64,619	01/16/2017	-	(2,019)	(2,120)	101
		USD 39,600	128,335	07/03/2017	-	(2,137)	(4,418)	361
		USD 19,800	64,429	07/17/2017	-	(1,879)	(2,241)	2,281
					-	(6,035)	59,613	2,743
Mexico Stock Exchange shares (2)	NDF	MXN 600,000	99,123	07/03/2017	5,600	-	-	5,600
					5,600	-	-	5,600
Future income pegged to foreign currency (3)	Loan in foreign currency	USD 125,000	-	01/03/2018	-	(407,868)	-	14,013
					-	(407,868)	-	14,013
					5,600	(413,903)	59,613	22,356

- (1) In March 2016, BM&FBOVESPA entered into a first-tier financial institution a Non-Deliverable Forward (NDF), in order to hedge the investment in shares of CME Group from currency risk. In April 2016, due to full disposal of the shares of CME Group, the NDF transaction was settled.
- (2) In September 2016, BM&FBOVESPA took out with a first-tier financial institution a Non-Deliverable Forward (NDF), in order to hedge the investment in the shares of Mexico Stock Exchange and four installments of half-yearly interest of Senior Unsecured Notes (Note 12) from currency risk.
- (3) In December 2016, BM&FBOVESPA set up a new cash flow hedge, designating the loan taken out in foreign currency to hedge against currency risk of a portion of future income to be incurred from February 2017 to January 2018. In December 2016, the foreign loan designated as hedge amounted to R\$ 407,388 the the amount recorded in equity was R\$ 9,248, net of tax effects.
- (4) The method to determine the fair value, used by BM&FBOVESPA, is based on the conditions of transactions taken out, and then the present value based on current market curves, as disclosed by BM&FBOVESPA.

In December 2015, 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 hedged cash flows refer to payments to be made until December 31, 2016, even if the agreement terms exceed that date. In 2016, negative amount of R\$521 was transferred from “Other comprehensive income” to profit or loss, and negative amount of R\$1,761 to financial assets, in connection with payment flows that were hedged items beginning January 2016, net of tax effects. Also in 2016, R\$1,379 was disregarded for cash flow hedge purposes, given the review of firm agreements. The amount was transferred from “Other comprehensive income” to financial expenses, net of tax effects.

e) Financial instrument and risk management

Financial risk management and financial investment policy

BM&FBOVESPA's policy is for highly liquid financial investments, whose performance is substantially 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. The Company carries out transactions with derivative instruments solely and exclusively for equity hedge purposes.

Acquisition or disposal of strategic investments, such as CME Group shares, the shares of Santiago, Mexican and Colombian Stock Exchanges, is assessed individually and performed only in accordance with the strategic planning approved by the Board of Directors.

In addition, BM&FBOVESPA has a Corporate Risk Management Policy, whose purpose is to establish principles, guidelines and responsibilities to be observed in the risk management process of BM&FBOVESPA, so as to allow identification, assessment, treatment, monitoring and communication of operational, technological, market, liquidity, credit, image and socio-environmental risks.

The Risk and Financial Committees assess market, liquidity, credit and systemic risks of the markets managed by BM&FBOVESPA, with a strategic and structural focus.

Sensitivity analysis

The table below presents the net exposure of all financial instruments (assets and liabilities) by market risk factors. At December 31, 2016, BM&FBOVESPA's main market risk was represented by the fall in the floating interest rate (CDI/SELIC).

Exposure to Risk Factors (Consolidated)					
Risk factor	Risk	2016		2015	
		Percentage	Amount	Percentage	Amount
Share price	Lower share price	1.64%	188,137	66.67%	4,853,598
Interest - Floating interest rate	Lower CDI / Selic rate	98.85%	11,305,635	65.18%	4,744,965
Foreign exchange - USD	Higher currency	0.07%	8,538	33.34%	2,426,859
Foreign exchange - EUR	Lower currency	0.15%	16,825	0.55%	40,161
Foreign exchange - GBP	Lower currency	0.01%	1,196	0.07%	5,001
Foreign exchange - CLP	Lower currency	0.36%	40,782	0.67%	48,575
Foreign exchange - MXN	Lower currency	0.08%	8,985	-	-
Foreign exchange - COP	Lower currency	0.38%	43,565	-	-
Gold	Lower gold price	0.11%	12,037	0.19%	13,610

The ownership structure at Santiago, Mexican and Colombian Stock Exchanges is subject to two risk factors simultaneously: currency and share price.

Share price risk

This risk arises from the possibility of fluctuations in the prices of the Santiago, Mexican and Colombian Stock Exchange shares, which BM&FBOVESPA holds in its portfolio and that may impact the amounts involved.

The table below shows a sensitivity analysis on possible impacts from a variation of 25% and 50% on the probable scenario for share price, for the next three months, obtained from Bloomberg.

Risk factor	Impact				
	-50%	-25%	Probable scenario	+25%	+50%
Santiago Stock Exchange shares in BRL	(20,233)	(9,958)	317	10,591	20,866
Share price in CLP	846,520	1,269,781	1,693,041	2,116,301	2,539,561
Mexican Stock Exchange shares in BRL	(51,094)	(24,748)	1,597	27,943	54,288
Share price in MXN	13.86	20.78	27.71	34.64	41.57
Colombian Stock Exchange shares in BRL	(21,782)	(10,394)	663	11,719	22,776
Share price in COP	11.02	16.52	22.03	27.54	33.05

The possible impacts shown by the sensitivity analysis would affect equity, net of taxes.

Interest rate risk

This risk arises from the possibility of BM&FBOVESPA incur losses due to fluctuations in interest rates, affecting its assets and liabilities, resulting in effects on its Financial result.

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 substantially indexed to floating interest rates.

The table below shows a sensitivity analysis on possible impacts of a variation of 25% and 50% on the probable scenario for the CDI and SELIC rate for the next three months, obtained from Bloomberg.

Risk factor	Impact				
	-50%	-25%	Probable scenario	+25%	+50%
CDI	100,807	149,522	197,187	243,853	289,567
CDI rate	6.36%	9.55%	12.73%	15.91%	19.09%
SELIC	66,919	99,241	130,856	161,799	192,102
SELIC rate	6.47%	9.70%	12.93%	16.17%	19.40%

Fixed-rate position

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

Currency risk

Currency risk refers to variations in foreign exchange rates that may cause unexpected losses to BM&FBOVESPA.

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, own funds abroad, and also shareholding interest in stock exchanges abroad (the Santiago, Mexican and Colombian Stock Exchanges).

The table below shows a sensitivity analysis on possible impacts of a variation of 25% and 50% on the probable scenario for currency risk for the next three months, obtained from Bloomberg.

Risk factor	Impact				
	-50%	-25%	Probable scenario	+25%	+50%
USD	(3,956)	(1,850)	256	2,362	4,468
Exchange rate USD/BRL	1.6807	2.5210	3.3613	4.2016	5.0420
EUR	(8,152)	(3,825)	502	4,830	9,157
Exchange rate EUR/BRL	1.7706	2.6559	3.5412	4.4265	5.3118
GBP	(579)	(273)	33	338	644
Exchange rate GBP/BRL	2.0736	3.1103	4.1471	5.1839	6.2207
CLP	18,726	48,481	78,235	108	137,743
Exchange rate CLP/BRL	0.0072	0.0107	0.0143	0.0179	0.0215
MXN	(4,436)	(2,161)	114	2,388	4,663
Exchange rate MXN/BRL	0.0800	0.1200	0.1600	0.2000	0.2400
COP	(7,921)	9,901	27,723	45,545	63,367
Exchange rate COP/BRL	0.0009	0.0014	0.0018	0.0023	0.0027

The possible impacts shown by the sensitivity analysis would substantially affect equity, net of taxes.

In view of the net amounts of other currencies, their impacts are not deemed material.

Liquidity risk

Liquidity risk arises from the cash need related to the obligations assumed and as a form of management, and BM&FBOVESPA constantly evaluates its cash flows, thus ensuring liquidity to fulfill all its obligations. The following table shows the main liability financial instruments of BM&FBOVESPA Group by maturity (undiscounted cash flows basis):

	No maturity	Within 1 year	From 1 to 2 years	From 2 to 5 years
Collaterals for transactions	1,653,835	-	-	-
Debt issued abroad	-	129,060	129,060	2,252,690
Swap (1)	-	381,888	-	-
NDFs (2)	-	8,151	-	-
Debentures	-	332,448	1,799,424	1,684,012
Loan	-	373,439	33,949	-

(1) The swap considers the amount to be settled on April 03, 2017 under the transaction taken out. For the adjustment calculation, CDI curve was used from December 31, 2016 up to the swap settlement date, the dollar at the closing of month (PTAX) was also used.

(2) NDFs take into consideration the amount to be settled in 2017 on contracted transactions. For the adjustment calculation, the dollar at the closing of month (PTAX) and MXN/BRL sale rate disclosed by the Central Bank of Brazil (BACEN) were used.

Credit risk

The main credit risk of BM&FBOVESPA arises from its financial investments. As a way of managing this risk, BM&FBOVESPA has a financial investment policy that focuses mainly on investments in Brazilian federal government securities. Currently approximately 98% of financial investments is in connection with federal government securities with ratings set by Standard & Poor's and Moody's of "BB" and "Ba2", respectively, for long-term issues in local currency. The counterparties of Swaps, NDFs and loans taken out as hedging transactions are substantially first-tier banks.

Capital management

BM&FBOVESPA's objectives in managing its capital are to safeguard its ability to continue as a going concern in order to provide return for its shareholders and for other stakeholders, as well as to maintain an optimal target capital structure to reduce the cost of capital. In order to maintain or adjust its capital structure, BM&FBOVESPA may revise its practices for payment of dividends, return capital to shareholders, raise loans and issue marketable securities in the financial and capital markets.

In addition, as described in Note 17, BM&FBOVESPA is subject to capital regulatory requirement and must keep a safeguard and risk management structure exclusive for a proper settlement of transactions carried out and/or recorded in its systems.

For the year ended December 31, 2016, the consolidated position of free cash and cash equivalents exceeds the financial indebtedness by R\$7,277,540.

5. Accounts receivable

Breakdown of accounts receivable is as follows:

Description	BM&FBOVESPA		Consolidated	
	2016	2015	2016	2015
Fees	12,603	13,157	12,603	13,157
Annual fees	1,338	1,198	1,338	1,198
Vendors - Signal broadcasting	13,726	16,787	13,726	16,787
Trustee and custodial fees	56,086	34,048	56,086	34,048
Other accounts receivable	9,154	12,342	9,903	13,198
Subtotal	92,907	77,532	93,656	78,388
Estimated losses on accounts receivable	(2,011)	(3,259)	(2,011)	(3,259)
Total	90,896	74,273	91,645	75,129

The amounts presented above are primarily denominated in Brazilian reais and approximately 90% falls due within 90 days. At December 31, 2016, the amounts overdue above 90 days totaled R\$2,171 (R\$3,123 at December 31, 2015) at BM&FBOVESPA.

The methodology for determining estimated losses, approved by management, is based on the analysis of historical losses incurred. Therefore, for defined ranges of days past due, and based on historical behavior, a percentage is attributed to past-due amounts so as to reflect expected future losses.

Changes in estimated losses on accounts receivable:

	BM&FBOVESPA and Consolidated
Balance at December 31, 2014	4,307
Additions	2,350
Reversals	(704)
Write-offs	(2,694)
Balance at December 31, 2015	3,259
Additions	2,979
Reversals	(2,266)
Write-offs	(1,961)
Balance at December 31, 2016	2,011

6. Other receivables

Other receivables comprise the following:

	BM&FBOVESPA		Consolidated	
	2016	2015	2016	2015
Current				
Dividends receivable - CME Group	-	148,022	-	148,022
Receivables - related parties (Note 16)	6,038	4,647	294	212
Properties held for sale	3,812	3,812	3,812	3,812
Advances to employees	3,547	3,763	3,547	3,763
Other	633	134	2,636	2,165
Total	14,030	160,378	10,289	157,974
Noncurrent				
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:

Companies	Equity	Total shares	Adjusted P&L	% Ownership	Investment 2016	Investment 2015	Equity pickup 2016	Equity pickup 2015
Subsidiaries								
Banco BM&FBOVESPA de Liquidação e Custódia S.A.	81,790	24,000	14,409	100	81,790	72,903	14,409	12,451
Bolsa de Valores do Rio de Janeiro - BVRJ	75,975	115	(1,524)	86.95	66,060	67,385	(1,325)	8,126
BM&F (USA) Inc.	1,539	1,000	(4)	100	1,539	1,829	(4)	218
BM&FBOVESPA (UK) Ltd.	1,185	1,000	(490)	100	1,185	2,345	(490)	106
					150,574	144,462	12,590	20,901
Associate								
CME Group, Inc.				5.0	-	-	-	136,245
Total					150,574	144,462	12,590	157,146

At December 31, 2016, São José Holding's net equity of R\$120 (in reais) comprised 1,200 common shares. BM&FBOVESPA BRV LLC stated no balance in the period.

Summary of key financial information of subsidiaries and associates at December 31, 2016:

Description	Banco BM&FBOVESPA	Bolsa de Valores do Rio de Janeiro - BVRJ	BM&F (USA) Inc.	BM&FBOVESPA (UK) Ltd.
Assets	526,822	93,026	1,673	1,688
Liabilities	445,033	17,051	134	503
Revenues	39,796	7,607	1,319	1,652

Changes in investments:

Investments	Subsidiaries				Total
	Banco BM&FBOVESPA	Bolsa de Valores do Rio de Janeiro - BVRJ	BM&F (USA) Inc.	BM&FBOVESPA (UK) Ltd.	
Balances at December 31, 2014	64,443	59,259	1,095	1,605	126,402
Equity pickup	12,451	8,126	218	106	20,901
Exchange rate variation	-	-	516	634	1,150
Comprehensive income (loss) of subsidiary	9	-	-	-	9
IOE received/receivable	(4,000)	-	-	-	(4,000)

Balances at December 31, 2015	72,903	67,385	1,829	2,345	144,462
Equity pickup	14,409	(1,325)	(4)	(490)	12,590
Exchange rate variation	-	-	(286)	(670)	(956)
Comprehensive income (loss) of subsidiary	(22)	-	-	-	(22)
IOE received/receivable	(5,500)	-	-	-	(5,500)
Balances at December 31, 2016	81,790	66,060	1,539	1,185	150,574

	Associate
	Investments
	CME Group, Inc.
Balances at December 31, 2014	3,729,147
Equity pickup	136,245
Exchange rate variation (2)	1,717,454
Comprehensive income (loss) of associate	7,774
Dividends received	(82,633)
Disposal of 20% of ownership interest (1)	(1,101,598)
Fair-value re-measurement of investments (1)	551,634
Reclassification into financial assets available for sale (1)	(4,958,023)
Balances at September 30, 2015	-

(1) In order to rebalance the composition of the Company's assets, BM&FBOVESPA disposed of 20% of CME Group's shares (equivalent to 3,395,544 "Class A" common shares, or 1% of total shares issued by CME Group), thus decreasing its interest held in that group to 13,582,176 shares (4% of total shares issued by CME Group), as disclosed by BM&FBOVESPA on September 9, 2015, through a notice to the market.

With the consolidation of the strategic partnership made in 2010, and the natural development of the knowledge and technology transfer process between the two companies, in addition to the disposal of part of the investment held by the Company, management reviewed its assessment on the Company's significant influence on CME Group, considering current quantitative and qualitative factors, and concluded that it should no longer be characterized as a "significant influence", as defined by CPC 18, on CME Group.

Such assessment made the Company reclassify its shareholding interest in CME Group, as from September 14, 2015 (date of the disposal financial settlement), from "Investments in associate", measured by the equity method, to "Financial investments – available for sale", measured at fair value. The previous net investment hedging structure was discontinued, and other comprehensive income of the hedged item and instrument was recorded in income or loss for the period.

Below are the gross effects on income or loss due to partial disposal of ownership interest in CME Group, and discontinuance of the equity method and net investment hedge:

Description	BM&FBOVESPA and Consolidated 09/30/2015
Divestiture	
Gains on divestiture	107,065
Exchange gains (losses) reclassified from other comprehensive income	600,793
Comprehensive income (loss) of foreign associate reclassified into other comprehensive income	16,596
Other	(459)
Gross proceeds from divestiture in associate	723,995
Discontinued use of equity method	
Exchange gains (losses) reclassified from other comprehensive income	1,116,871
Exchange gains (losses) of hedged item reclassified from other comprehensive income	1,286,302
Exchange gains (losses) of hedged instrument reclassified from other comprehensive income	(1,286,302)
Comprehensive income (loss) of foreign associate reclassified into other comprehensive income	66,384
Re-measurement of investment in CME Group at fair value	551,634
Gross proceeds from equity method discontinuance	1,734,889

(2) In July 2010, BM&FBOVESPA issued securities in US dollars to hedge part of the currency risk of investments in CME Group (hedge of net investment) through the allocation of a non-derivative financial instrument (debt issued abroad) as hedge, as described in Note 12. Due to discontinuance of the equity method, the net investment hedge was replaced by a cash flow hedge, as detailed in Note 4.

b) Investment properties

This category comprises properties owned by subsidiary Bolsa de Valores do Rio de Janeiro (BVRJ) for rent, which are carried at cost and depreciated at the rate of 4% per annum. There were no additions or write-offs during the period, and depreciation totaled R\$1,518 (R\$1,518 at December 31, 2015). Rental income for the period ended December 31, 2016 amounted to R\$7,603 (R\$9,751 at December 31, 2015).

At December 31, 2016, cost less accumulated depreciation of this property amounted to R\$29,117 and fair value estimated by management amounted to R\$128,563, calculated considering the average square-meter price for sale of commercial buildings in the city of Rio de Janeiro, as disclosed in FIPEZAP table.

BM&FBOVESPA has no restriction on the ability to realize and sell its investment property.

8. Property and equipment

BM&FBOVESPA							
Changes	Buildings	Furniture and fixtures	Computer devices and equipment	Facilities	Other	Construction in progress	Total
Balances at December 31, 2014	244,650	15,764	44,688	47,238	27,415	38,747	418,502
Additions	458	2,602	65,170	12,093	1,969	1,097	83,389
Write-offs	(1,107)	(2,188)	(4,524)	(1)	(2,853)	-	(10,673)
Reclassification (Note 9)	(35)	-	-	-	-	(6)	(41)
Transfers (1)	41,492	1,940	25,384	(28,615)	(1,692)	(38,509)	-
Depreciation	(5,298)	(2,677)	(26,607)	(4,278)	(2,193)	-	(41,053)
Balances at December 31, 2015	280,160	15,441	104,111	26,437	22,646	1,329	450,124
Additions	3,107	1,973	26,847	3,974	1,635	7,583	45,119
Write-offs	-	(163)	(73)	-	(2,259)	-	(2,495)
Transfers	1,396	5	-	-	-	(1,401)	-
Depreciation	(5,285)	(2,631)	(19,494)	(3,644)	(1,680)	-	(32,734)
Balances at December 31, 2016	279,378	14,625	111,391	26,767	20,342	7,511	460,014
At December 31, 2016							
Cost	410,389	49,814	372,878	57,107	61,764	7,511	959,463
Accumulated depreciation	(131,011)	(35,189)	(261,487)	(30,340)	(41,422)	-	(499,449)
Net book balance	279,378	14,625	111,391	26,767	20,342	7,511	460,014
At December 31, 2015							
Cost	405,886	48,392	347,172	53,133	63,752	1,329	919,664
Accumulated depreciation	(125,726)	(32,951)	(243,061)	(26,696)	(41,106)	-	(469,540)
Net book balance	280,160	15,441	104,111	26,437	22,646	1,329	450,124

Consolidated							
Changes	Buildings	Furniture and fixtures	Computer devices and equipment	Facilities	Other	Construction in progress	Total
Balances at December 31, 2014	244,650	15,764	44,688	47,453	29,884	38,747	421,186
Additions	458	2,706	65,403	12,093	2,406	1,097	84,163
Write-offs	(1,107)	(2,291)	(4,757)	(1)	(2,930)	-	(11,086)
Reclassification (Note 9)	(35)	-	-	-	-	(6)	(41)
Transfers (1)	41,492	1,939	25,384	(28,615)	(1,691)	(38,509)	-
Depreciation	(5,298)	(2,677)	(26,607)	(4,348)	(2,198)	-	(41,128)
Balances at December 31, 2015	280,160	15,441	104,111	26,582	25,471	1,329	453,094
Additions	3,107	1,977	26,849	4,003	1,650	7,583	45,169
Write-offs	-	(167)	(75)	-	(2,459)	-	(2,701)
Transfers	1,396	5	-	-	-	(1,401)	-
Depreciation	(5,285)	(2,631)	(19,494)	(3,715)	(1,684)	-	(32,809)
Balances at December 31, 2016	279,378	14,625	111,391	26,870	22,978	7,511	462,753
At December 31, 2016							
Cost	410,389	50,047	373,095	58,156	64,450	7,511	963,648
Accumulated depreciation	(131,011)	(35,422)	(261,704)	(31,286)	(41,472)	-	(500,895)
Net book balance	279,378	14,625	111,391	26,870	22,978	7,511	462,753
At December 31, 2015							
Cost	405,886	48,670	347,452	54,154	66,633	1,329	924,124
Accumulated depreciation	(125,726)	(33,229)	(243,341)	(27,572)	(41,162)	-	(471,030)
Net book balance	280,160	15,441	104,111	26,582	25,471	1,329	453,094

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

In the period, BM&FBOVESPA absorbed as part of the project development cost the amount of R\$7,591 (R\$4,330 at December 31, 2015) related to the depreciation of equipment used in developing these projects.

BM&FBOVESPA's properties with a carrying amount of approximately R\$92,441 (R\$93,894 at December 31, 2015) 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 depreciation rates of property and equipment items at December 31, 2016 and 2015 are as follows:

	2016	2015
Buildings	2.5%	2.5%
Furniture and fixtures	10%	10%
Computer devices and equipment	10% to 16.67%	10 to 25%
Facilities	10%	10%
Other	11% to 33%	11% to 33%

9. Intangible assets

Goodwill

Balance at December 31, 2015	16,064,309
Impairment of assets	(1,662,681)
Balance at December 31, 2016	14,401,628

Goodwill from acquisition of Bovespa Holding in 2008, amounting to R\$16,064,309, is based on the expected future profitability, supported by an economic and financial valuation report of the investment.

According to the guidelines of CPC 01/IAS 36, the goodwill attributed to expected future profitability must be tested annually for impairment, or more frequently when there are indicators that impairment may have occurred. Goodwill is recorded at cost value less accumulated impairment losses. Impairment losses recognized on goodwill are not reversed.

BM&FBOVESPA uses an external and independent specialist to assist it in measuring the recoverable amount of an asset (value in use). The report submitted by the specialist identified that a negative adjustment to the goodwill book value at December 31, 2016 is not necessary.

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, and expected growth in the market (based on estimated average yield of capital markets in the long term) and management's expectations and strategies.

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 2016 to December 2026. The perpetuity was determined by extrapolating the 2026 cash flow at a growth rate corresponding to that expected for the nominal GDP in the long term, of 6.60% p.a.

Management understands that a ten-year projection period (and not five) is based on the perception that the Brazilian capital market, in the variable income segment, should undergo a long period of growth, reflecting the time required for indicators such as share of stocks in investors' portfolios, and Brazil's Market Cap / GDP ratio, among others, to reach levels recorded in other countries, indicating that the long-term maturity has been reached.

To determine the present value of the projected cash flow, an average after-tax discount rate of 14.81% p.a. was used, which is equivalent to a 16.88% rate before taxes (2015 - equivalent to 15.6% and 17.4% respectively).

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: increase of 90bps in the pre-tax discount rate (a standard deviation in discount rates over the last five years), decrease of 180bps in the average annual revenue growth from 2017 to 2026 (15% decrease), and decrease by 60bps in the perpetuity growth rate (a standard deviation of the 10-year series averages of changes in the Brazilian GDP). The sensitivity analyses revealed value in use of the CGU between 4% and 14% lower than the value in use estimated in the external expert's report.

Software and projects

Changes	BM&FBOVESPA and Consolidated			
	Cost of internally generated software under development	Software internally generated - projects completed	Software	Total
Balances at December 31, 2014	127,608	514,251	67,048	708,907
Additions	152,982	-	11,074	164,056
Write-offs	(6,463)	-	-	(6,463)
Reclassification (Note 8)	-	-	41	41
Transfer (1)	(1,778)	1,778	-	-
Amortization	-	(54,422)	(23,793)	(78,215)
Balances at December 31, 2015	272,349	461,607	54,370	788,326
Additions	169,900	5,897	14,276	190,073
Transfer (1)	(64,442)	64,415	27	-
Amortization	-	(56,491)	(21,330)	(77,821)
Balances at December 31, 2016	377,807	475,428	47,343	900,578
At December 31, 2016				
Cost	377,807	681,445	353,344	1,412,596
Accumulated amortization	-	(206,017)	(306,001)	(512,018)
Net book balance	377,807	475,428	47,343	900,578
At December 31, 2015				
Cost	272,349	611,133	339,881	1,223,363
Accumulated amortization	-	(149,526)	(285,511)	(435,037)
Net book balance	272,349	461,607	54,370	788,326

(1) Refers substantially to transfer as a result of completion of the second phase of the Projeto Mercado de Balcão (OTC Market Project).

The balance comprises costs for the acquisition of licenses and completed development of software and systems, with amortization rates from 6.67% to 33% per year in 2015 and 2016, 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\$6,236 (R\$5,674 at December 31, 2015) related to the 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 and the construction of a new business and IT architecture to support integration of the post-trade infrastructure.

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 customers, who are the owners of the listed companies' shares.

11. Provision for taxes and contributions payable

Description	BM&FBOVESPA		Consolidated	
	2016	2015	2016	2015
Taxes and contributions withheld at source	61,439	10,420	64,100	12,177
PIS and COFINS payable	25,517	19,497	25,805	19,768
ISS payable	3,085	2,595	3,103	2,606
Total	90,041	32,512	93,008	34,551

12. Debt issued abroad, loans and debentures

a) Debt issued abroad

With the adoption of the fair value hedge accounting in March 2016 (Note 4 (d)), the principal amount of debt securities issued abroad in 2010 are now measured at fair value.

The restated loan balance at December 31, 2016 amounts to R\$2,046,463 (R\$2,454,265 at December 31, 2015), which includes the amount of R\$58,794 (R\$70,181 at December 31, 2015) referring to interest incurred until the reporting date.

In December 2016, BM&FBOVESPA has entered into a Non-Deliverable Forward (NDF) and designated it as a hedging instrument to hedge the currency risk of four installments of half-yearly interest of Senior Unsecured Notes (Note 4 (d)).

Changes in debt issued abroad and hedge effects are as follows:

	BM&FBOVESPA and Consolidated		
	Current	Noncurrent	Total
Foreign loan at 12/31/2015	70,181	2,384,084	2,454,265
Exchange rate fluctuation	(3,762)	(394,128)	(397,890)
Exchange rate variation - cash flow hedge	(63)	-	(63)
Interest paid	(143,774)	-	(143,774)
Interest payable	137,827	-	137,827
Fundraising cost amortization	(1,615)	-	(1,615)
Foreign loan at amortized cost	58,794	1,989,956	2,048,750
Fair value adjustment - fair value hedge	-	(2,287)	(2,287)
Foreign loan at 12/31/2016	58,794	1,987,669	2,046,463

The market value of securities, considering principal and interest, amounts to R\$2,064,997 at December 31, 2016 (R\$2,380,489 at December 31, 2015), which is obtained from Bloomberg.

b) Unsecured Loans

In December 2016, BM&FBOVESPA entered into a loan agreement with a first-tier bank in the amount of US\$125,000, at a rate of 2.57% per annum (p.a.), maturing within thirteen months. This loan was designated as a hedging instrument to hedge the foreign exchange risk of part of future revenues (Note 4 (d)).

The loan is repayable in 12 equal installments of US\$ 10,417, on the first business day of each month, the first installment falling due in February 2017.

The funds obtained from the dollar-denominated loan were used to increase BM&FBOVESPA's cash.

As at December 31, 2016, the balance of the loan principal amount plus interest is R\$ 407,868.

c) Issuance of single series debentures

On December 15, 2016, BM&FBOVESPA completed its first issuance of simple unsecured non-convertible debentures in a single series, with BM&FBOVESPA being rated by Moody's as "Aaa.br". The debentures totaled R\$3,000,000 and will mature after three years from the date of issuance but no later than December 30, 2019.

	Contractual rate	Number	Unit par value in R\$	Total issuance
First issuance (single series)	104.25% DI	3,000,000	1,000.00	3,000,000

The debentures will yield interest equivalent to 104.25% of the DI Rate with amortization of principal in equal installments in the 24th and 36th months, and semiannual payment of interest on the 1st of June and December each year, with the first payment on June 1, 2017 and the last on January 1, 2019.

The net proceeds from the issuance will be fully used in the business combination between BM&FBOVESPA and CETIP, or in the settlement of loans obtained by BM&FBOVESPA for use in its operations or in the normal course of its business.

As at December 31, 2016, the balance of the principal amount plus interest less costs incurred in the issuance of debentures is R\$3,009,301.

According to the fiduciary agent, the market value of the securities, considering the principal amount plus interest, is R\$ 3,017,490 as at December 31, 2016.

13. Other liabilities

	BM&FBOVESPA		Consolidated	
	2016	2015	2016	2015
Current				
Payables – CME	14,574	15,632	14,575	15,632
Payables to related parties (Note 16)	324	8,918	257	8,696
Custody agents	3,172	3,121	3,172	3,121
Amounts to be transferred - Direct Treasury	28,558	17,271	28,558	17,271
Advance received for the sale of property	7,500	8,192	7,500	8,192
Preferred shares payable	1,838	1,838	1,838	1,838
Demand deposits (1)	-	-	115,502	90,922
Repurchase agreements (2)	-	-	303,002	283,157
Other	9,108	7,661	10,108	8,395
Total	65,074	62,633	484,512	437,224
Noncurrent				
Payables – CME	39,649	58,361	39,649	58,361
Total	39,649	58,361	39,649	58,361

(1) These refer to demand deposits held by corporations at Banco BM&FBOVESPA with the sole purpose of settlement of clearing operations held within BM&FBOVESPA and the Special System for Settlement and Custody (SELIC) pursuant to BACEN Circular Letter No. 3196 of July 21, 2005.

(2) These refer to open market funding made by Banco BM&FBOVESPA, comprising repurchase agreements maturing on January 2, 2017 (January 4, 2016 for 2015) and backed by Financial Treasury Bills (LFT) and National Treasury Bills (LTN).

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

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 significant future gains.

b) Provisions for tax, civil and labor contingencies

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

The legal and administrative proceedings are classified by their likelihood of loss (probable, possible or remote), based on the assessment by BM&FBOVESPA's legal department and external 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 proceedings for which provisions were set up mostly relate to PIS and COFINS levied on (i) BM&FBOVESPA revenues and (ii) receipt of interest on equity.

BM&FBOVESPA figures as defendant in a civil proceeding filed by a commodities broker in bankruptcy that operated in the former BM&F. The provision for this contingency amounts to R\$186,305 and comprises: estimated amount regarding the delivery of 3,278,554 BVMF3 shares, plus corresponding earnings; ii) restated indemnity of R\$32,589; and iii) related attorney's fees.

c) Legal obligations

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

d) Other provisions

BM&FBOVESPA and its subsidiary BVRJ have contracts that provide for the payment of attorneys' success fees arising from tax and civil proceedings, in which they figure as defendants. Within its best estimates, BM&FBOVESPA determined and provisioned the amounts for which it understands that there is likelihood of future disbursement, related to attorneys' success fees from proceedings whose likelihood of loss is assessed as possible and remote.

e) Changes in balances

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

	BM&FBOVESPA					Total
	Civil proceedings	Labor claims	Legal obligations	Tax proceedings	Other provisions	
Balances at December 31, 2014	8,791	30,675	42,084	16,111	-	97,661
Provisions	-	2,589	7,193	-	-	9,782
Provision expenditure	-	(3,876)	-	-	-	(3,876)
Reversal of provisions	-	(1,412)	-	-	-	(1,412)
Reassessment of risks	-	463	-	-	-	463
Monetary restatement	898	4,277	3,988	1,341	-	10,504
Balances at December 31, 2015	9,689	32,716	53,265	17,452	-	113,122
Provisions	183,938	3,868	7,403	-	41,165	236,374
Provision expenditure	(2)	(4,941)	(828)	-	(1,248)	(7,019)
Reversal of provisions	-	(1,669)	-	-	-	(1,669)
Reassessment of risks	(23)	111	-	-	-	88
Monetary restatement	3,560	3,792	5,847	1,418	1,043	15,660
Balances at December 31, 2016	197,162	33,877	65,687	18,870	40,960	356,556

	Consolidated					Total
	Civil proceedings	Labor claims	Legal obligations	Tax proceedings	Other provisions	
Balances at December 31, 2014	14,051	30,743	42,084	16,111	-	102,989
Provisions	-	2,589	7,193	-	-	9,782
Provision expenditure	-	(3,876)	-	-	-	(3,876)
Reversal of provisions	-	(1,433)	-	-	-	(1,433)
Reassessment of risks	-	462	-	-	-	462
Monetary restatement	1,516	4,285	3,988	1,341	-	11,130
Balances at December 31, 2015	15,567	32,770	53,265	17,452	-	119,054
Provisions	183,938	3,868	7,403	-	49,054	244,263
Provision expenditure	(2)	(4,960)	(828)	-	(1,248)	(7,038)
Reversal of provisions	-	(1,681)	-	-	-	(1,681)
Reassessment of risks	(23)	111	-	-	-	88
Monetary restatement	4,495	3,796	5,847	1,418	1,138	16,694
Balances at December 31, 2016	203,975	33,904	65,687	18,870	48,944	371,380

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

f) 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 classified by management as possible, based on the assessment of their legal department and external 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 employees of outsourced service providers, on account of alleged noncompliance with labor legislation. At December 31, 2016, lawsuits assessed as possible loss amount to R\$18,173 in Company and Consolidated (R\$47,558 in Company and R\$54,812 in the Consolidated at December 31, 2015);

- Civil proceedings mainly relate to aspects of civil liability for losses and damages. The amount involved in civil proceedings classified as possible losses at December 31, 2016 totals R\$102,718 in BM&FBOVESPA (R\$165,917 at December 31, 2015) and R\$324,388 on a consolidated basis (R\$355,700 at December 31, 2015);

The amount at December 31, 2016 is almost entirely related to two legal proceedings. The first one refers to 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 second 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 shares issued by BM&FBOVESPA. In addition to these proceedings mentioned above, at December 31, 2015, the proceeding filed by a commodity broker in bankruptcy, which operated in the former BM&FBOVESPA, was assessed as risk of remote loss by BM&FBOVESPA, as described in Note 14 (b).

- The total amount involved in the tax proceedings classified as possible loss R\$566,780 at BM&FBOVESPA and R\$566,987 on a consolidated basis (R\$671,320 at December 31, 2015 - Company and consolidated). 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, 2016 is R\$63,892 (R\$59,693 at December 31, 2015).
- (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 alleged 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, 2016 is R\$204,695 (R\$197,935 at December 31, 2015).
- (iii) Alleged levy of social security taxes on options granted under the Stock Option Plan of BM&F S.A., assumed by BM&FBOVESPA S.A., and of BM&FBOVESPA S.A. itself, exercised by the beneficiaries of the Plan in 2011 and 2012, 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, 2016 are: (i) R\$88,075 (R\$79,094 at December 31, 2015), relating to social security contributions allegedly due, assessed as possible loss, and (ii) R\$36,010 (R\$31,750 at December 31, 2015), relating to one-time fine for the non-withholding of income tax, assessed as remote loss.
- (iv) 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 calendar year 2008. The total amount involved in this administrative proceeding is R\$151,623 (R\$144,088 at December 31, 2015), including late-payment interest and automatic fine.

g) Remote losses

On November 29, 2010, BM&FBOVESPA was served a assessment notice from the Brazilian IRS challenging the amortization, for tax purposes in 2008 and 2009, of goodwill generated upon the merger of Bovespa Holding S.A.'s shares into BM&FBOVESPA in May 2008. In October 2011, the Brazilian IRS Judgment Office in São Paulo handed down a decision on the challenge presented by BM&FBOVESPA, upholding, in substance, the assessment notice. In December 2013, the Administrative Board of Tax Appeals (CARF) handed down a decision denying the voluntary appeal filed by BM&FBOVESPA, thus upholding the assessment notice. On March 25, 2015, CARF denied the motions for clarification filed by BM&FBOVESPA. On May 29, 2015, BM&FBOVESPA filed a Special Appeal with the Superior Chamber of the CARF. On February 6, 2017, BM&FBOVESPA filed a writ of mandamus challenging the effects of Executive Order 765/2016 on the judgment of this administrative proceeding. On February 7, 2017, an injunction was granted to remove the Special Appeal from the trial calendar of the Superior Chamber of the CARF. BM&FBOVESPA understands 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. The amount involved in this administrative proceeding at December 31, 2016 is R\$1,184,514 (R\$1,083,566 at December 31, 2015).

On April 2, 2015, BM&FBOVESPA was served a assessment notice from the Brazilian IRS challenging the amortization, for tax purposes in 2010 and 2011, of goodwill generated upon the merger of Bovespa Holding S.A.'s shares into BM&FBOVESPA in May 2008. On April 27, 2016, BM&FBOVESPA was notified by Brazilian IRS Judgment Office's (DRJ) decision denying the Company's appeal and BM&FBOVESPA will file an appeal with the Administrative Board of Tax Appeals (CARF) within the term prescribed by applicable regulations. BM&FBOVESPA understands 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. The amount involved in this administrative proceeding at December 31, 2016 is R\$2,347,853 (R\$2,111,622 at December 31, 2015).

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 ask 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, so that the special appeal lodged by the plaintiffs may be examined by a higher court. The special appeal was partially disclosed and was unanimously denied in connection with this portion. The plaintiffs lodged motions for clarification against this decision, which were unanimously denied, then they lodged motions for reconsideration which were also overruled. Considering this decision, the plaintiffs filed a request for reconsideration and, alternatively, a special appeal. The High Court of Justice considered the request for reconsideration as a special appeal and dismissed it, against which the plaintiffs lodged a motion for clarification, which was also rejected. The appeal filed by plaintiffs was not recognized by the Federal Supreme Court of Brazil. Considering this decision, the plaintiffs filed a request for reconsideration and, alternatively, a special appeal. The Federal Supreme Court dismissed the special appeal. The proceeding is currently awaiting a final decision on the filing of a motion for clarification. BM&FBOVESPA understands that the likelihood of loss in this suit is remote.

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 in the trial court and sentenced most of the defendants, among them, BM&F. The total amount arising from this unfavorable decision is R\$7,005 million, and, according to one of the decisions handed down, the gains that the Central Bank of Brazil obtained by reason of the non-use of international reserves, amounting to R\$5,431 million, may be deducted. BM&FBOVESPA was also sentenced to pay a civil penalty 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. Appeals were filed, which have caused the execution of the trial court judgment to be suspended. Currently, BM&FBOVESPA awaits the analysis of these appeals by the Federal Court of Appeals of the 1st Chapter.

h) Judicial deposits

Description	BM&FBOVESPA		Consolidated	
	2016	2015	2016	2015
Legal obligations	65,800	52,989	65,800	52,989
Tax proceedings	79,569	73,895	79,908	74,185
Civil proceedings	5,941	5,577	5,941	5,577
Labor claims	10,968	7,658	11,111	7,816
Total	162,278	140,119	162,760	140,567

Out of the total judicial deposits, the following are highlighted: (i) R\$58,576 (R\$54,149 at December 31, 2015) relates to the disputes over the classification of the exchanges as subject to the payment of COFINS, which are assessed as possible loss by BM&FBOVESPA, as described in item "f" above; and (ii) R\$14,207 (R\$13,127 at December 31, 2015) refers to cases regarding PIS and COFINS on interest on equity received. Of the total deposits relating to legal obligations, R\$65,788 (R\$52,541 at December 31, 2015) relates to the proceedings 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

BM&FBOVESPA's fully subscribed and paid-up capital is R\$2,540,239 comprising 1,815,000,000 (1,815,000,000 at December 31, 2015) registered common shares with voting rights and no par value, including 1,787,429,549 common shares outstanding at December 31, 2016 (1,782,094,906 at December 31, 2015).

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 program

At the meeting held on December 10, 2015, the Board of Directors approved the new Share Buyback Program, starting on January 1, 2016 and ending on December 31, 2016. No shares were repurchased in 2016.

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

	Number	Amount
Balances at December 31, 2014	91,821,444	983,274
Purchase of shares - Share buyback program	26,187,400	287,030
Shares cancelled	(85,000,000)	(903,975)
Shares sold - stock options	(103,750)	(1,094)
Balances at December 31, 2015	32,905,094	365,235
Shares sold - stock grant	(5,334,643)	(59,213)
Balances at December 31, 2016	27,570,451	306,022
Average cost of treasury shares (R\$ per share)		11.100
Market value of treasury shares		463,459

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 and stock grant plan.

e) Income reserves

(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 subsidiaries, (v) actuarial gains/losses on post-retirement health care benefits, (vi) mark-to-market of financial assets available for sale.

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.

	2016	2015
Net income for the year	1,463,754	2,202,238
Dividends	-	223,581
Interest on equity	900,000	1,019,033
Total approved for the year	900,000	1,242,614

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

Description	Date approved	Date of payment	Gross amount per share (R\$)	Total gross amount
Interest on equity	5/12/2016	6/6/2016	0.094973	169,663
Interest on equity	8/11/2016	9/6/2016	0.120616	215,592
Interest on equity	11/11/2016	12/2/2016	0.082090	146,730
Interest on equity	12/16/2016	1/12/2017	0.205891	368,015
Total proposed/approved for 2016				900,000
Dividends	5/14/2015	5/29/2015	0.124110	223,581
Interest on equity	8/13/2015	9/8/2015	0.142749	254,392
Interest on equity	11/12/2015	12/4/2015	0.176557	314,641
Interest on equity	12/10/2015	12/29/2015	0.252512	450,000
Total proposed/approved for 2015				1,242,614

h) Earnings per share

Basic	Consolidated	
	2016	2015
Numerator		
Net income available to shareholders of BM&FBOVESPA	1,446,263	2,202,238
Denominator		
Weighted average number of outstanding shares	1,786,929,084	1,791,892,507
Basic earnings per share (in R\$)	0.809357	1.229001
Diluted	Consolidated	
	2016	2015
Numerator		
Net income available to shareholders of BM&FBOVESPA	1,446,263	2,202,238
Denominator		
Weighted average number of outstanding shares adjusted by effects of stock grant and stock option plans	1,799,833,802	1,805,320,403
Diluted earnings per share (in R\$)	0.803555	1.219860

16. Transactions with related parties

a) Balances and transactions with related parties

Description	Assets/(liabilities)		Income/(expense)	
	2016	2015	2016	2015
Banco BM&FBOVESPA de Serviços de Liquidação e Custódia S.A. (1)				
Accounts receivable	1,058	1,033	-	-
Interest on equity receivable	4,675	3,400	-	-
Recovery of expenses	-	-	12,288	11,456
Income from fees	-	-	26	14
Interest on equity	-	-	5,500	4,000
BM&F (USA) Inc. (1)				
Accounts payable	(67)	(80)	-	-
Sundry expenses	-	-	(1,298)	(1,529)
BM&FBOVESPA (UK) Ltd. (1)				
Accounts payable	-	(142)	-	-
Sundry expenses	-	-	(1,637)	(1,836)
Bolsa de Valores do Rio de Janeiro (1)				
Accounts receivable	11	2	-	-
Recovery of expenses	-	-	29	21
CME Group				
Financial expenses	-	-	-	(781)
Expenses with fees	-	-	-	(1,895)
Income from fees	-	-	-	66
BM&FBOVESPA Supervisão de Mercados				
Accounts receivable	270	196	-	-
Accounts payable	(115)	(8,695)	-	-
Donation / Contribution	-	-	(21,957)	(12,690)
Recovery of expenses	-	-	2,602	2,721
Associação BM&F				
Accounts receivable	4	6	-	-
Accounts payable	(10)	(1)	-	-
Recovery of expenses	-	-	76	105
Expenses with courses	-	-	(1,755)	(1,270)
Donation	-	-	-	(1,757)
Sponsorship	-	-	(1,732)	(3,200)
Other related parties				
Accounts receivable	20	10	-	-
Accounts payable	(132)	-	-	-
Donation	-	-	(125)	(125)
Recovery of expenses	-	-	194	136
Sundry expenses	-	-	(3,072)	-

(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.

- Accounts payable 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 together with the CME Group. In September 2015, CME Group ceased to be a related party to BM&FBOVESPA given the disqualification of its significant influence and consequent discontinued use of the equity method (Note 7).
- BM&FBOVESPA Supervisão de Mercados - 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 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 monthly pays BM&F (USA) Inc. and BM&FBOVESPA (UK) Ltd. for representing 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.
- Sundry expenses with other related parties consist mainly of lawyer's services provided by law firm Barbosa Mussnich Aragão - Advogados (BMA) in the operation with Cetip. Management understood that law firm BMA is a related party, since one of its partners is member of the Board of Directors of BM&FBOVESPA. The engagement was in line with the criteria set by the related party policy and other situations involving conflict of interest of BM&FBOVESPA.

In addition to the transactions with related parties, within the context of the operation with Cetip and under the terms of its policy for related parties and other situations involving potential conflict of interest, BM&FBOVESPA contracted services provided by companies whose managers are also members of the BM&FBOVESPA's Board of Directors. The services were contracted under normal market conditions. The companies contracted are Banco J.P.Morgan S/A; Banco Bradesco BBI S/A; and Itaú Unibanco S/A, with expenses totaling R\$27,612.

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.

	2016	2015
Management fees		
Short-term benefits (salaries, profit sharing, etc.)	37,063	30,695
Share-based payment (1)	52,135	31,127
Consideration - cancellation of Stock Options and labor and social security charges (Note 18)	-	35,093
Severance pay benefits (2)	31,483	-

- (1) Refers to expenses computed in the year relating to share-based payment, increased by labor and social security charges, and stock options of key management personnel. These expenses were recognized according to the criteria described in Note 18.
- (2) Refers to severance pay benefits to key management personnel (Stock Grant plan).

17. Collateral for transactions

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 granted BM&FBOVESPA authorization to operate its new clearinghouse, the 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 exchange-traded and 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 long or 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.

Each clearinghouse has its own risk management system and safeguard structure. The safeguard structure of a clearinghouse represents the set of resources and mechanisms that it can utilize to cover losses relating to the settlement failure of one or more participants. These systems and structures are described in detail in the regulations and manuals of each clearinghouse, and have been tested and ratified by the Central Bank of Brazil (BACEN), in accordance with National Monetary Council (CMN) Resolution No. 2882/01 and BACEN Circular No. 3057/01.

The safeguard structures of the clearinghouses are based largely on a 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 involving 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.

The main parameters used for margin calculation models are the stress scenarios, defined by the Market Risk Committee for the risk factors that affect the prices of contracts and assets traded on our systems. For the definition of stress scenarios, the Market Risk Committee uses a combination of quantitative and qualitative analysis. The quantitative analysis is done with the support of statistical models for estimating risk, such as EVT (extreme value theory), estimate of implied volatilities, GARCH (Generalized Autoregressive Conditional Heteroskedasticity) models, and historical simulations. The qualitative analysis considers aspects related to domestic and international economic and political conditions and their impacts on the markets managed by BM&FBOVESPA.

On March 05, 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\$1,653,835 (R\$1,338,010 at December 31, 2015), are recorded as a liability under Collateral for transactions and other non-cash collaterals, in the amount of R\$264,899,075 (R\$303,824,243 at December 31, 2015), are recorded in memorandum accounts. At December 31, 2016, collaterals amounted to R\$266,552,910 (R\$305,162,253 at December 31, 2015), as follows:

a) Collaterals deposited by participants

	2016			
	BM&FBOVESPA Clearinghouse	Equity and Corporate Debt Clearinghouse (CBLC)	Foreign Exchange Clearinghouse	Assets Clearingho use
Government securities	160,398,544	46,358,618	6,191,501	100,196
Letters of guarantee	1,695,568	559,700	-	-
Shares	5,036,052	37,200,918	-	-
International Securities (1)	-	5,557,198	-	-
Bank Deposit Certificates (CDBs)	1,168,940	344,193	-	-
Cash amounts deposited	1,352,920	137,760	162,955	-
Gold	8,557	4,942	-	-
Other	44,646	229,702	-	-
Total	169,705,227	90,393,031	6,354,456	100,196

	2015			
	BM&FBOVESPA Clearinghouse	Equity and Corporate Debt Clearinghouse (CBLC)	Foreign Exchange Clearingho use	Assets Clearingho use
Government securities	216,955,868	37,116,275	8,644,122	280,222
Letters of guarantee	3,552,464	397,000	-	-
Shares	3,458,610	27,241,604	-	-
International Securities (1)	-	4,151,480	-	-
Bank Deposit Certificates (CDBs)	1,394,602	277,305	-	-
Cash amounts deposited	1,027,657	134,437	175,716	-
Gold	12,012	3,162	-	-
Other	176,345	163,372	-	-
Total	226,577,558	69,484,635	8,819,838	280,222

(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.
- Minimum Non-operating Collateral, composed of collaterals transferred by BM&FBOVESPA clearing members and by full trading participants, intended to guarantee the transactions. Minimum Non-operating Collateral is broken down as follows:

Breakdown	2016	2015
Government securities	707,468	730,429
Letters of guarantee	82,930	72,200
Bank Deposit Certificates (CDBs)	2,391	2,700
Amounts deposited	792,789	805,329
Amounts required of participants	582,000	600,000
Amount in excess of the minimum required	210,789	205,329

- Fundo de Liquidação (Settlement Fund), comprising collaterals transferred by clearing members and BM&FBOVESPA funds. This fund is broken down as follows:

Breakdown	2016	2015
Government securities	961,722	851,458
Letters of guarantee	26,200	18,000
Amounts deposited	987,922	869,458
Amounts required of participants	296,000	308,000
Amount required of BM&FBOVESPA (1)	296,000	308,000
Amount in excess of the minimum required	395,922	253,458

(1) Comprising government securities.

- Patrimônio Especial (Special equity), in the amount of R\$65,681 (R\$57,526 at December 31, 2015), 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.
- Fundo de Liquidação (Settlement Fund), composed of collaterals transferred by clearing members and BM&FBOVESPA funds, intended to guarantee the proper settlement of transactions.

Breakdown	2016	2015
Government securities	991,383	893,423
Amounts deposited	991,383	893,423
Amounts required of participants	296,400	298,900
Amount required of BM&FBOVESPA (1)	296,400	298,900
Amount in excess of the minimum required	398,583	295,623

(1) Comprising government securities.

- Patrimônio Especial (Special equity), in the amount of R\$70,208 (R\$61,494 at December 31, 2015), 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.

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	2016	2015
Government securities	543,479	364,804
Cash amounts deposited	200	200
Amounts deposited	543,679	365,004
Amounts required of participants	108,900	105,650
Amount required of BM&FBOVESPA (1)	108,900	105,650
Amount in excess of the minimum required	325,879	153,704

(1) Comprising government securities.

- Patrimônio Especial (Special equity), in the amount of R\$65,781 (R\$57,619 at December 31, 2015), 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, 2016 and December 31, 2015, 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\$46,249 (R\$40,507 at December 31, 2015), 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.

18. Employee benefits

a) Stock options - Long-term benefit

Pursuant to the Notice to the Market published on February 04, 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 on future dates, with respect to those Options which had not yet vested ("Non-vested Options").

Nearly all of the beneficiaries opted for their share cancellation and the shares received with respect to the cancellation of Non-vested Options were subject to the Stock Grant Plan approved by the Company in an Extraordinary General Meeting on May 13, 2014.

BM&FBOVESPA believes that the resulting long-term incentive model will more effectively align the interests of beneficiaries to those of BM&FBOVESPA and its shareholders in the long term, as well as retain key personnel.

The amounts paid in cash and granted in shares for cancellation of the Options, as defined in CPC 10 (R1) approved by CVM Rule No. 650/10, were calculated based on the 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 05, 2015 and on the closing price of the shares on the same date (R\$9.22).

Programs	Number of outstanding options (Dec/14)	Fair value (R\$)	Converted vested options		Converted non-vested options	
			Number of options ¹	Total fair value (R\$)	Number of options	Number 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
Total²	38,974,796		18,056,838	55,532,798	19,646,069	8,639,285

(1) This does not include 1,259,389 options granted in the past to employees who have been recently terminated by BM&FBOVESPA, which had term conditions and, therefore, fair values different from those described above. Out of these, 837,389 options were cancelled, resulting in a cash payment of R\$665 while 422,000 options were not converted, since there was no program enrollment by the terminated employees. Total cash payment was R\$56,198.

(2) 12.5 thousand options were not converted, since there was no enrollment by the beneficiaries.

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. 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 guidelines and conditions for the cancellation of options, as well as the cash and equity settlement, were approved by the Board of Directors of BM&FBOVESPA at a meeting held on December 24, 2014, and all of the actions required for its implementation were approved by the Compensation Committee of the Board of Directors at a meeting held on February 04, 2015.

BM&FBOVESPA recognized expenses related to grants of the Option Plan in the amount of R\$267 for the year ended December 31, 2016 (R\$276 at December 31, 2015), matched against capital reserves in equity.

BM&FBOVESPA entered into commitments with beneficiaries to hold them harmless from any potential liabilities related to assessment notices. At December 31, 2016, the potential liabilities are recognized for R\$27,017 (R\$24,300 at December 31, 2015).

Effects arising from the exercise of options

	2016	2015
Amount received from the exercise of options	-	897
(-) Cost of treasury shares disposed of	-	(1,094)
Effect from disposal of shares	-	(197)

Pricing model

Major assumptions considered in pricing options are as follows:

- (a) Options were evaluated considering the market parameters in force on every grant date of different Stock Option Programs;
- (b) To estimate the risk-free interest rate, the future interest contracts negotiated for the maximum exercise period of each option were considered; and
- (c) The maximum exercise period of options granted in each Stock Option Program was considered to be the maturity term.

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) Stock Grant - Long-term benefit

The Special Shareholders' Meeting held on May 13, 2014 approved the Stock Grant Plan, which replaced the grant mechanism for the Stock Grant Plan shares as a long-term benefit.

The conditions under the Stock Grant Plan include achievement of goals by the beneficiaries and an individual evaluation of performance and potential. The granting of shares relating to a specific fiscal year will always occur at the beginning of the next fiscal year. The shares will be transferred to the beneficiaries observing the grace periods established in the Stock Programs and the previously established contractual conditions.

The Stock Grant Plan vests the Board of Directors with full powers to approve stock grants and manage them, through Stock Grant Plans, which should define, among other specific conditions: (i) the beneficiaries; (ii) the total number of BM&FFBOVESPA shares under the grant program; (iii) criteria for election of the beneficiaries and determining the number of shares to be assigned; (iv) splitting shares into lots; (v) vesting periods for the transfer of shares; (vi) any restrictions on the transfer of shares received by the beneficiaries; and (vii) any provisions on penalties.

For each Stock Grant Program, there should be a minimum total period of three (3) years from the grant date of the shares in a given program and the last date of transfer of shares granted under the same program. Moreover, a minimum vesting period of twelve (12) months should be observed from: (i) the grant date of a program and the first date of transfer of any shares under that Program, and (ii) between each of the transfer dates of shares of that program after the first transfer.

The Stock Grant Plan also defines a specific mechanism for granting shares to the members of the Board of Directors, whereby: (i) the members of the Board of Directors are eligible to be beneficiaries of the grant from the date the General Meeting elects them to office, or another period as defined by the General Meeting; (ii) the beneficiaries members of the Board of Directors as a whole may annually receive a total 172,700 shares of BM&FBOVESPA, which will be distributed on a straight-line basis among the members of the Board of Directors, as approved at the General Meeting; (iii) stock will be granted to members of the Board of Directors in one single lot on the same dates the Programs approve stock grants to other beneficiaries; (iv) the stock considered in the contracts with beneficiaries that are members of the Board of Directors will be transferred 2 years after the end of term of each Board member in which the contract was executed.

BM&FBOVESPA recognized expenses related to Stock Plan grants in the amount of R\$86,159 for the year ended December 31, 2016 (R\$40,050 at December 31, 2015), matched with capital reserves in equity, based on the fair value of the share at the grant date of the plans. BM&FBOVESPA also recognized charges in the amount of R\$54,865 as personnel expenses for the year ended December 31, 2015 (R\$26,442 at December 31, 2015), calculated based on the fair value of the share as at December 31, 2016.

BM&FBOVESPA records the expenses relating to the Stock Grant Program which were granted for replacement of unvested options of the Stock Option Plan, for the same fair value of options previously granted, in accordance with CPC 10 (R1)/IFRS 2.

Stock Grant – Summary/Changes

Program	Conversion/ grant date	Grace period	Number of shares at 12/31/2015	New programs	Transferred in the period ended 12/31/2016	Canceled in the period ended 12/31/2016	Shares outstanding contracts at 12/31/2016	Fair value of shares on the grant date (R\$ per share)	Dilution percentage (1)
Stock Grant – Converted Options	01/05/2015	01/05/2016	2,599,703	-	(2,599,703)	-	-	9.22	0.00%
	01/05/2015	01/05/2017	1,804,267	-	(141,506)	(10,867)	1,651,894	9.22	0.09%
	01/05/2015	01/05/2018	1,041,252	-	(79,296)	(6,656)	955,300	9.22	0.05%
			5,445,222	-	(2,820,505)	(17,523)	2,607,194		
Stock Grant – Additional Converted Options	01/05/2015	01/05/2016	451,850	-	(451,850)	-	-	9.22	0.00%
	01/05/2015	01/05/2017	1,325,998	-	(121,708)	(2,594)	1,201,696	9.22	0.07%
	01/05/2015	01/05/2018	451,844	-	(38,374)	-	413,470	9.22	0.02%
	01/05/2015	01/07/2019	784,882	-	(65,704)	-	719,178	9.22	0.04%
			3,014,574	-	(677,636)	(2,594)	2,334,344		
Stock Grant - Program 2014	01/02/2015	01/04/2016	923,974	-	(923,974)	-	-	9.50	0.00%
	01/02/2015	01/02/2017	923,962	-	(61,579)	(12,632)	849,751	9.50	0.05%
	01/02/2015	01/02/2018	882,903	-	(61,579)	(12,632)	808,692	9.50	0.05%
	01/02/2015	01/02/2019	882,897	-	(61,579)	(12,632)	808,686	9.50	0.05%
			3,613,736	-	(1,108,711)	(37,896)	2,467,129		
Stock Grant – Additional Program 2014	01/02/2015	01/04/2016	384,968	-	(384,968)	-	-	9.50	0.00%
	01/02/2015	01/02/2017	376,495	-	(35,809)	-	340,686	9.50	0.02%
	01/02/2015	01/02/2018	376,482	-	(35,809)	-	340,673	9.50	0.02%
			1,137,945	-	(456,586)	-	681,359		
Stock Grant – Board of Directors Grant 2014	01/02/2015	04/30/2017	172,692	-	-	-	172,692	9.50	0.01%
			172,692	-	-	-	172,692		
Stock Grant - Program 2015	01/08/2016	01/13/2017	-	844,371	(55,609)	(2,852)	785,910	10.52	0.04%
	01/08/2016	01/15/2018	-	844,348	(55,608)	(2,852)	785,888	10.52	0.04%
	01/08/2016	01/14/2019	-	844,306	(55,608)	(2,851)	785,847	10.52	0.04%
	01/08/2016	01/13/2020	-	844,285	(55,608)	(2,851)	785,826	10.52	0.04%
			-	3,377,310	(222,433)	(11,406)	3,143,471		
Stock Grant – Additional Program 2015	01/08/2016	01/13/2017	-	280,891	(21,257)	-	259,634	10.52	0.01%
	01/08/2016	01/15/2018	-	280,891	(21,257)	-	259,634	10.52	0.01%
	01/08/2016	01/14/2019	-	280,881	(21,257)	-	259,624	10.52	0.01%
			-	842,663	(63,771)	-	778,892		
Stock Grant – Board of Directors Grant 2015	01/08/2016	04/30/2019	-	172,697	-	-	172,697	10.52	0.01%
			-	172,697	-	-	172,697		
Stock Grant programs			13,384,169	4,392,670	(5,349,642)	(69,419)	12,357,778		0.69%

(1) The number of outstanding shares at December 31, 2016 is 1,787,429,549.

Effects arising from transfer of shares

At December 31, 2016, cost of shares transferred related to Stock Grant Plan amounted to R\$59,213.

Pricing model

Stock Grant

For options granted under the Stock Option Plan, the fair value corresponds to the option closing price on the grant date.

c) Supplementary pension plan

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.

d) 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, 2016, the actuarial liabilities related to this plan amounted to R\$21,080 (R\$26,122 at December 31, 2015), calculated using the following assumptions:

	2016	2015
Discount rate	5.7% p.a.	7.3% p.a.
Economic inflation	5.0% p.a.	5.0% 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 balance sheet date (age 65)	20 years
Retirement in 25 years (age 40 today)	20 years

Changes in defined benefit obligations for the year as shown below:

	2016	2015
At beginning of year	26,122	28,371
Current service cost	25	33
Past service cost (1)	(17,038)	288
Cost of interest	3,234	3,202
Benefit paid by the plan	(1,298)	(1,076)
Effect of changes in demographic assumptions	3,483	-
Effect of changes in financial assumptions	7,117	(4,038)
Effect of plan experience	(565)	(658)
At end of year	21,080	26,122

Amounts recognized in the income statement are as follows:

	2016	2015
Current service cost	25	33
Interest on defined benefit obligations	3,234	3,202
Past service cost (1)	(17,038)	288
Total recognized in income	(13,779)	3,523

(1) Effect arising from changes made to BM&FBOVESPA's plan design and redefinition of premiums paid by employees.

Amounts recognized in the statement of comprehensive income are as follows:

	2016	2015
Effect of changes in demographic assumptions	3,483	-
Effect of changes in financial assumptions	7,117	(4,038)
Effect of plan experience	(565)	(658)
Tax effects	(3,412)	1,597
Total in comprehensive income, net of taxes	6,623	(3,099)

The sensitivity of the actuarial liability at December 31, 2016 to the changes in key assumptions is as follows:

	Increase of 0.5%	Decrease of 0.5%
Discount rate	19,664	(22,651)
Medical inflation	22,637	(19,666)
	Life expectancy+ 1	Life expectancy - 1
Mortality table	22,123	(20,069)

BM&FBOVESPA is responsible for selecting the plan's accounting policies, methods and assumptions and is solely responsible for any necessary changes to such rules.

19. Income tax and social contribution

a) Deferred income tax and social contribution - Changes

The balances and changes of deferred tax assets and liabilities are as follows:

	BM&FBOVESPA and Consolidated			
	2015	(Debt) credit in the income statement	(Debt) credit in the statement of comprehensive income	2016
Deferred tax assets				
Tax, civil and labor contingencies	24,487	81,995	-	106,482
Deferred tax assets on tax loss carryforwards	30,581	38,411	-	68,992
Exchange variation on issue of debt abroad (1)	445,562	-	(445,562)	-
Mark to market - CME	69,243	-	(69,243)	-
Effect of exchange rate variation on shares abroad	-	-	14,022	14,022
Mark to market	-	138,013	-	138,013
Other temporary differences	62,123	27,258	-	89,381
Deferred tax liabilities				
Goodwill amortization (2)	(2,834,715)	(541,159)	-	(3,375,874)
Mark to market - shares abroad	(374)	-	(1,124)	(1,498)
Effect of exchange rate variation on cash flow hedge	(755)	-	755	-
Effect of exchange rate variation on shares abroad	(455,872)	-	450,006	(5,866)
Discontinued use of equity method - CME	(589,862)	589,862	-	-
Other temporary differences	(22,694)	9,505	3,412	(9,777)
Deferred taxes, net	(3,272,276)	343,885	(47,734)	(2,976,125)

(1) The write-off of deferred tax asset balance corresponding to the foreign exchange variation on foreign debt issue arises from the effects, in 2016, of the change in the regime for recognition of foreign exchange variations for tax purposes in a period to be declared in 2017, giving rise to other less significant impacts.

(2) Deferred income tax and social contribution 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, this requiring the recognition of a deferred tax liability.

b) Estimated realization period

Deferred 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\$68,992) are expected to be realized in the amount of R\$53,058 within one year and R\$363,832 after one year and realization of deferred tax liabilities is expected to occur after one year. At December 31, 2016, the present value of the deferred tax assets, considering their expected realization, is R\$223,311.

Since the income tax and social contribution 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 tax and social contribution. 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 tax and social contribution purposes amounts to R\$1,565,336 at December 31, 2016 (R\$3,156,980 at December 31, 2015).

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 tax and social contribution expense

Reconciliation of the income tax and social contribution amounts recorded in P&L (Company and consolidated) and their respective amounts at statutory rates is as under:

	BM&FBOVESPA		Consolidated	
	2016	2015	2016	2015
Income before income tax and social contribution	1,239,467	2,800,221	1,246,570	2,807,222
Income tax and social contribution before additions and exclusions computed at the statutory rate of 34%	(421,419)	(952,075)	(423,834)	(954,455)
Additions:	319,966	(44,119)	317,490	(41,774)
Stock option plan and stock grant plan	(347)	(94)	(347)	(94)
Nondeductible expenses - permanent	1,741	(14,056)	(735)	(11,711)
Dividends received abroad	(13,876)	(29,860)	(13,876)	(29,860)
IRPJ impairment – CME (Note 4 (c))	(144,674)	-	(144,674)	-
Recognition of deferred tax credit (Note 4(c))	(49,951)	-	(49,951)	-
Reversal of deferred tax	527,077	-	527,077	-
Income (loss) abroad	(4)	(109)	(4)	(109)
Exclusions:	308,411	398,541	306,000	392,795
Equity pickup	2,411	52,070	-	46,324
Interest on equity	306,000	346,471	306,000	346,471
Other	(162)	(330)	(162)	(330)
Income tax and social contribution	206,796	(597,983)	199,494	(603,764)
Effective rate	-16.68%	21.35%	-16.00%	21,51%

d) Taxes recoverable and prepaid

Taxes recoverable and prepaid are as follows:

Description	BM&FBOVESPA		Consolidated	
	2016	2015	2016	2015
IRRF - Financial investments - current year	146,828	66,010	146,828	66,010
IRPJ and CSLL tax losses - prior years	22,749	39,987	22,749	39,987
Recoverable taxes paid abroad	(2,352)	61,131	(2,352)	61,131
PIS/COFINS recoverable	1,541	1,618	1,541	1,619
Other taxes	10,787	6,261	10,928	6,264
Total	179,553	175,007	179,694	175,011

20. Revenue

	BM&FBOVESPA		Consolidated	
	2016	2015	2016	2015
Trading and/or settlement system - BM&F	1,050,423	1,074,546	1,050,397	1,074,531
Derivatives	1,030,072	1,053,513	1,030,072	1,053,513
Foreign exchange	20,351	20,909	20,325	20,894
Assets	-	124	-	124
Trading and/or settlement system - Bovespa	977,848	903,016	977,848	903,016
Trading – trading fees	156,613	146,645	156,613	146,645
Transactions - clearing and settlement	802,558	734,866	802,558	734,866
Other	18,677	21,505	18,677	21,505
Other revenue	500,715	435,041	548,181	481,300
Securities lending	103,975	103,203	103,975	103,203
Securities listing	52,935	50,058	52,935	50,058
Depository, custody and back-office	177,706	130,829	177,706	130,829
Trading participant access	36,186	39,493	36,186	39,493
Vendors - quotations and market information	101,563	98,434	101,563	98,434
Banco BM&FBOVESPA - financial intermediation and bank fees	-	-	39,804	35,161
Other	28,350	13,024	36,012	24,122
Deductions	(252,575)	(239,137)	(255,645)	(242,213)
PIS and COFINS	(218,015)	(208,062)	(220,500)	(210,591)
Service Tax	(34,560)	(31,075)	(35,145)	(31,622)
Revenue	2,276,411	2,173,466	2,320,781	2,216,634

21. Sundry expenses

Description	BM&FBOVESPA		Consolidated	
	2016	2015	2016	2015
Contributions and donations	25,017	23,415	25,137	23,513
Sundry provisions (1)	241,875	15,575	250,880	15,624
Electricity, water and sewage	18,073	18,437	18,430	18,677
Travel	4,204	4,387	4,530	4,732
Expenses with entities abroad	2,936	3,365	-	10
Rental	2,338	3,367	2,629	3,647
Consumption material	907	700	933	767
Insurance	980	883	981	884
Transportation	832	1,029	845	1,044
Discontinued project – intangible asset	-	6,463	-	6,463
Incentive program – cash market	7,617	5,834	7,619	5,834
Other	4,397	3,013	4,522	3,262
Total	309,176	86,468	316,506	84,457

(1) Basically refers to the provision for tax, civil and labor contingencies, provision for attorneys' success fees (Note 14) and allowance for doubtful accounts.

22. Financial income (expense)

	BM&FBOVESPA		Consolidated	
	2016	2015	2016	2015
Financial income				
Income from financial assets measured at fair value	1,075,078	466,232	1,082,054	471,552
FX gains (losses)	72,324	91,943	72,324	91,942
Other financial income	24,093	21,469	24,140	21,513
Dividends on foreign equity (1)	40,811	174,769	40,811	174,769
(-)PIS and COFINS on financial income (2)	(51,751)	(13,947)	(52,029)	(14,069)
	1,160,555	740,466	1,167,300	745,707
Financial expenses				
Interest and exchange variation on foreign debt	(134,002)	(138,064)	(134,002)	(138,064)
FX gains (losses)	(55,249)	(85,915)	(55,249)	(85,916)
Fair value hedge	(181,039)	-	(181,039)	-
Mark-to-market - NDF	(8,779)	-	(8,779)	-
Funding interest - Debentures	(17,610)	-	(17,610)	-
Funding interest - Loans	(481)	-	(481)	-
Other financial expenses	(44,247)	(11,383)	(45,356)	(12,931)
	(441,407)	(235,362)	(442,516)	(236,911)
Disposal of shares of CME Group (Note 4 (c))	(572,800)	-	(572,800)	-
Financial income	146,348	505,104	151,984	508,796

(1) Given the disqualification of the significant influence and consequent discontinued use of the equity method for CME Group (Note 7), dividends received have been recorded in the income statement.

(2) From July 2015, pursuant to Decree No. 8426, of April 1, 2015, which reinstated PIS and COFINS rates levied on financial income earned by legal entities subject to the related noncumulative tax computation.

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 Banco BM&FBOVESPA.

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.

	2016 Consolidated			
	BM&F Segment	Bovespa Segment	Institutional and Corporate Products Segment	Total
Trading and/or settlement system	1,050,397	977,848	548,181	2,576,426
Deductions	(104,255)	(100,847)	(50,543)	(255,645)
Revenue	946,142	877,001	497,638	2,320,781
Adjusted expense	(200,799)	(222,946)	(229,388)	(653,133)
Depreciation and amortization	(36,636)	(40,014)	(21,670)	(98,320)
Stock Options and Stock Grant	(45,754)	(45,419)	(54,044)	(145,217)
Allowance for doubtful accounts and other provisions	(102,946)	(90,329)	(66,664)	(259,939)
Transfer of fines	-	-	(3,957)	(3,957)
Operation with CETIP	-	-	(65,629)	(65,629)
Total expenses	(386,135)	(398,708)	(441,352)	(1,226,195)
Net income for the year	560,007	478,293	56,286	1,094,586
Financial income				151,984
Income tax and social contribution				199,494
Net income for the year	560,007	478,293	56,286	1,446,064

	2015 Consolidated			
	BM&F Segment	Bovespa Segment	Institutional and Corporate Products Segment	Total
Trading and/or settlement system	1,074,531	903,016	481,300	2,458,847
Deductions	(105,263)	(92,098)	(44,852)	(242,213)
Revenue	969,268	810,918	436,448	2,216,634
Adjusted expense	(212,209)	(204,355)	(197,785)	(614,349)
Depreciation and amortization	(45,030)	(40,860)	(24,967)	(110,857)
Stock Options and Stock Grant	(35,123)	(31,961)	(31,898)	(98,982)
Allowance for doubtful accounts and other provisions	(7,959)	(10,356)	(2,662)	(20,977)
Transfer of fines	-	-	(5,491)	(5,491)
Total expenses	(300,321)	(287,532)	(262,803)	(850,656)
Income	668,947	523,386	173,645	1,365,978
Equity pickup				136,245
Impairment of assets				(1,662,681)
Discontinued use of equity method				1,734,889
Gain on disposal in associates				723,995
Financial income (expenses)				508,796
Income tax and social contribution				(603,764)
Net income for the year	668,947	523,386	173,645	2,203,458

24. 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 maximum insurance coverage taken out at December 31, 2016, according to insurance policies, is as follows:

Insurance line	Maximum indemnity
Amounts at risk, property damages, buildings and equipment	223,810
Civil liability	309,000
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 figures as a defendant in legal and administrative proceedings involving tax matters, classified as probable loss, most of which are related to challenges by Brazilian IRS about social security contributions allegedly owed by APBM&FBOVESPA on payments made to third parties and on sponsorships to athletes of the BM&FBOVESPA Athletics Club. 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 the aforementioned proceedings at December 31, 2016 totals R\$20,518 (R\$18,912 at December 31, 2015).

25. Subsequent events

As disclosed in the Notice to the Market dated January 26, 2017, BM&FBOVESPA acquired 8.59% equity interest in the Lima Stock Exchange (BVL), in an investment of approximately R\$49 million.

Independent Auditor' Report

To the Board of Directors and shareholders of
BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros
São Paulo – SP

Opinion

We have audited the 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, 2016, and the related statements of income, 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.

In our opinion, the 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, 2016, its individual and consolidated financial performance and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and international standards on auditing. In accordance with such standards, our responsibilities are described in section “Auditor’s responsibilities for the audit of the individual and consolidated financial statements”. We are independent of the Company and its subsidiaries, in accordance with the relevant ethical principles set forth in the Code of Ethics for Professional Accountants and in the professional standards issued by Brazil’s Association of State Boards of Accountancy (CFC), and we comply with the other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of the audit of the financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the individual and consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1. Technology environment

Due to the volume of transactions and the fact that the operations of BM&FBOVESPA are highly dependent on the proper operation of the technology structure and its systems, in addition to the complexity involved with its trading, compensation and settlement platforms due to the nature of its business, we consider the technology environment one of the key audit matters.

How our audit addressed this matter

Our audit procedures included, among others, evaluating the design and operating effectiveness of the IT General Controls (“ITGC”) implemented by the Company relating to the IT applications considered relevant to the audit process. The ITGC evaluation included audit procedures on the logical access, manage change and other ITGC. In relation to the logical access, for a sample of transactions, we evaluated the adequacy of new user authorization and concession processes, the timely revocation rights to improper users such as former employees or transferred ones, and periodic review of user privileges.

In addition, we evaluated the password and general system security settings, and limitations of physical access to computer hardware. We have evaluated the manage change process, including authorization and approval by Management of BM&FBOVESPA for the changes to the systems. We have also evaluated the IT operations, focusing on the data backup policy and timely resolution of IT problems or incidents.

We have identified the key application or IT dependent controls in the processes considered significant to the financial statements, and for a sample of transactions, we carried out tests focusing on their design and operational effectiveness. In addition, we have evaluated whether guidelines of the business continuity plan were adherent to market standards and if incidents reported throughout the year were addressed to the Business Continuity Committee.

We involved our IT professionals in the performance of these procedures.

Our testing of the design and operation of the IT General Controls and on the application controls considered relevant to the audit process provided a basis for us to plan the nature, timing and extend of our detailed audit procedures.

2. Role of central counterparty clearinghouse

BM&FBOVESPA is a multi-asset and multi-market exchange vertically integrated, in which model it acts as the sole responsible for all the phases of the trading and post-trading activities. Accordingly, the Company acts as central depository, clearinghouse and settlement system, and central counterparty (CCP). In the role of central counterparty, BM&FBOVESPA acts as the buyer to every seller and the seller to every buyer for settlement purposes. This requires the Company to establish mechanisms to estimate and call margin from participants to cover any defaults.

At December 31, 2016, BM&FBOVESPA has R\$ 267 billion in guarantees deposited by the market participants, as described in Note 17. We consider this a key audit matter given the amounts involved and its role as a financial market infrastructure (FMI).

How our audit addressed this matter

Our audit procedures included, among others, understanding the clearinghouses activities, focusing on the Risk Modelling, Risk of Central Counterparty, Collateral Management and Pricing. In these processes, we evaluated the organizational and governance structure, strategy definitions, limits, policies and measurement methodologies. We also identified and evaluated the design and operating effectiveness of the key controls related to pricing, calculation and margin call.

Considering the methodology used and disclosed by BM&FBOVESPA, we reperformed an independent calculation of the margin call required in a given scenario and period, and recalculated the collateral allocation. We have evaluated the reconciliation of the information in the notes to the financial statements with the reports from the operating systems at December 31, 2016, in addition to checking the custodian reports for a sample of assets.

We involved our risk professionals in the performance of these procedures.

The results of our evaluation of the guarantees deposited by the market participants were consistent with Management's assessment and disclosures in the Note 17 to the financial statements. The results of our procedures were considered in reaching the opinion on the financial statements taken as a whole.

3. Bovespa goodwill impairment assessment

The Company has R\$ 14.4 billion on its balance sheet related to goodwill generated on the acquisition of BovespaHolding. We consider this to be a key audit matter due to the relevance of the carrying amount, and because the impairment test of the asset is complex and involves a high degree of judgment by Management in determining the assumptions on the future performance of the cash-generating unit (CGU), as described in Note 9.

How our audit addressed this matter

Our audit procedures included, among others, the evaluation of the methodology and models used by Management in assessing goodwill, including the definition of the assumptions to support cash flow projections considered in the impairment tests.

We have also compared Management's accuracy applied in prior years' projections in relation to the actual performance of BM&FBOVESPA. We performed an independent calculation of the discount rate, using our assumptions such as on the market premium, beta of similar companies and country risk, among others. We involved our valuation professionals in this evaluation.

We have evaluated Management assertion on prior projections in parallel with the performance of BM&FBOVESPA. We analyzed the behavior of those assumptions in comparison with stress scenarios, in order to anticipate sensitivities of the model.

The results of our evaluation on the goodwill impairment testing were consistent with Management assessment. The results of our procedures were considered in reaching the opinion on the financial statements taken as a whole.

In addition, we assessed the adequacy of the disclosures made by Management of BM&FBOVESPA of the key assumptions used in the impairment test of goodwill in the Note 9 to the financial statements.

4. Provision for tax, civil and labor claims

As described in Note 14, BM&FBOVESPA and its subsidiaries are parties to various legal and administrative proceedings involving labor, tax and civil matters arising from the ordinary course of its business.

Attributing a loss probability to processes involves a high degree of judgement by the legal advisor sponsoring the defense of matter and by Management of BM&FBOVESPA, including in the measurement of an eventual cash disbursement. In this process, aspects such as the existence of jurisprudence for the dispute and/or the recurrence of the claims are taken into consideration.

In this context and considering the amounts involved, we consider the provision for tax, civil, and labor claims as a key audit matter.

How our audit addressed this matter

Our audit procedures included, among others, obtaining legal letters directly from the Company's legal advisors and crosschecking their classification of the likelihood of loss and attributed amounts, with the Company's controls and accounting records.

For the most relevant lawsuits, we tested the calculation of the amounts recorded and its disclosure and evaluated the expectation of the prognoses in relation to the jurisprudence and well-known legal theses. We involved our tax professionals in the performance of these procedures.

We also analyzed communications received from supervisory bodies related to lawsuits, notices and disputes to which the Company is party of, and the sufficiency of the disclosures made in relation to issues arising from contingencies and provisions recorded.

The results of our evaluation of the Company's provision for tax, civil and labor claims were consistent with management's assessment. The results of our procedures were considered in reaching the opinion on the financial statements taken as a whole.

We have also assessed the adequacy of the disclosures made by Management of BM&FBOVESPA on the provision for tax, civil and legal claims in Note 14 to the financial statements.

5. Disposal of investment in CME Group

As described in Note 4, in order to obtain funds to meet the proposed business combination with CETIP S.A. -MercadosOrganizados, on April 13, 2016 the Company sold its stake at CME Group.

The amounts involved in this transaction and the effects on the Company's financial position and on the statement of income were significant, reason why we consider this one of the key audit matters for the year.

How our audit addressed this matter

Our audit procedures included, among others, testing of the financial settlement of the transaction, the recalculation of the foreign exchange effect on the investment, the derecognition accounting and the recognition of the realized results. We involved our technical accounting professionals in the evaluation of the adequacy of the main accounting effects arising from the discontinuance of the cash flow hedge accounting structure.

The results of our evaluation of the accounting for the disposal of the stocks of CME Group are consistent with management's assessment. The results of our procedures were considered in reaching the opinion on the financial statements taken as a whole.

We have also assessed the adequacy of the disclosures on the disposal of investment in CME Group made by Management of BM&FBOVESPA in the Note 4 to the financial statements.

Other matters

Statements of value added

The individual and consolidated Statements of Value Added (SVA) for the year ended December 31, 2016, prepared under the responsibility of Company management and presented as supplementary information for IFRS purpose, were submitted to the same audit procedures performed in accordance with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their layout and content are in accordance with the criteria set forth in Accounting Pronouncement CPC 09 -Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria set forth in Accounting Pronouncement CPC 09 and are consistent with the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Company's management is responsible for such other information, which includes the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with the audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, to consider whether this report is materially inconsistent with the financial statements or with our knowledge obtained in the audit, or otherwise whether this report appears to be materially misstated. If based on our work we conclude that there is material misstatement in the Management Report, we are required to report this fact. We have nothing to report on this matter.

Responsibilities of the Management and Those Charged with Governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with accounting practices adopted in Brazil and of the consolidated financial statements 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.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process and include Management, the Audit Committee and the Board of Directors of the Company and its subsidiaries.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they can be reasonably expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit conducted in accordance with the Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement in the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- ▶ Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal controls.

-
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
 - ▶ Conclude on the appropriateness of Management's use of the going concern basis of and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
 - ▶ Evaluate the overall presentation, structure and content of financial statements, including disclosures and whether the individual and consolidated financial statements represent the corresponding transactions and events consistently with the appropriate disclosure objective.
 - ▶ Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities of the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group's audit and, consequently, for the audit opinion.

We communicate with those in charge of governance regarding, among others, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those in charge of governance with a statement that we have complied with the relevant ethical requirements, including the applicable independence requirements, and communicate any relationships or matters that could significantly affect our independence, including, when applicable, respective safeguards.

Based on the matters that were communicated to those in charge of governance, we determine those that were considered most significant in the audit of the financial statements for the current year and, therefore, that represent the significant audit issues. We describe these matters in our audit report, unless the law or regulation has forbidden public disclosure of the matter or when in extremely rare circumstances we determine that the matter should not be reported in our report because the adverse consequences from such disclosure may, within a reasonable perspective, overcome the benefits from communication to the public interest.

São Paulo, February 17, 2017.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Eduardo Wellichen
Contador CRC-1SP184050/O-6

Audit Committee Report

Initial information

The Audit Committee of BM&FBOVESPA S.A. is the statutory advisory body directly linked to the Board of Directors. It consists of two directors and four other members, one of whom is a financial specialist and all of them independent, appointed every two years by the directors, who take into account the criteria provided for in the applicable legislation and regulations, as well as best international practices.

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 at collecting data for preparing the financial statements, in compliance with corporate legislation, the accounting practices adopted in Brazil and the rules and applicable regulations issued by the Brazilian Securities Commission.

Management is also responsible for the internal control processes, policies and procedures that ensure the integrity of the assets, timely recognition of liabilities and the elimination or reduction of the company's risk factors to acceptable levels.

The Internal Controls, Compliance and Corporate Risk Office is responsible for overseeing the respective environments of these three areas of the company. Furthermore, it is in charge of providing information to support the work of the Audit Committee and the Financial and Risk Committee of BM&FBOVESPA.

The duties of the internal audit department are to verify the quality of the internal control systems of BM&FBOVESPA and compliance with the policies and procedures defined by the Management, including those employed when preparing the financial reports.

The independent auditors are responsible for examining the financial statements so as to issue an opinion regarding compliance with the applicable rules. As a result of their work, the independent auditors issue reports with recommendations about accounting procedures and internal controls, as well as other reports, such as the special quarterly reviews.

The Audit Committee's functions are described in its Internal Rules and Regulations (available on bmfbovespa.com.br/ri, tab "Relações com Investidores", "Governança Corporativa" in "Estatutos, Códigos e Políticas"), which provides for the duties defined in CVM Instruction 509/11.

The Audit Committee bases its judgments and forms its opinions taking into account the information received from the Management, the representations made by the Management about information systems, financial statements and internal controls, and the outcome of the work of the Internal Controls, Compliance and Corporate Risk Office, the Internal Auditors and the Independent Auditors.

Activities of the Audit Committee

The Audit Committee convened at nine ordinary and three special sessions, at which there were 95 meetings with members of the executive board, internal and independent auditors and other stakeholders. The Committee Coordinator forwards a summary of the agenda and the main conclusions to the Board of Directors.

Meetings with the Central Bank of Brazil (BCB)

During the BCB's inspection of the Company in 2016, the Audit Committee met with the leadership of the inspection team, and discussions involved primarily: corporate governance issues; information technology controls and procedures; internal controls on corporate risks; operation of the Audit Committee.

Meetings with the Executive Board

The Committee met with the Ombudsman and with the executive officers and their respective teams to discuss the structures, the workings of the respective areas, their work processes, occasional shortcomings in the control systems and the enhancement plans.

Among the subject matters requiring special attention from the Committee, the highlights were:

- **IT and Information Security** – During 2016, the Audit Committee continued to give priority attention to the advances in information technology processes and controls and the medium- and long-term action plans.

A meeting with the Executive Officer for Information Technology and Security and his team discussed matters involving information security processes, particularly improvements related to cyber security. With the Audit Department, the Committee discussed issues involving Overarching Controls on Information Technology, including Information security aspects. Such discussions also involved the Internal Controls, Compliance and Corporate Risk Office.

The Committee was informed of the results of the business continuity tests carried out during 2016 and monitored by the internal audit department.

The Committee also followed up on the Post-Trading Integration Project (IPN), which will migrate equities and corporate fixed income markets to a new infrastructure to be subsequently integrated with financial derivatives, commodities, and OTC.

- **Financial Management and Reports** – Discussions with the Financial, Corporate and Investor Relations Office, the internal auditors and, when applicable, specialized outside consultants were also dedicated to aspects concerning the evaluation of the premium in Bovespa Holding and the investment in CME Group, particularly the accounting treatment upon the sale of BM&FBOVESPA's investment in this company.
- **Contingencies** – Joint discussions with Legal Office, Financial Office, the Independent Auditors and the lawyers responsible involved the principal administrative and legal proceedings and the respective judgments exercises with regard to the probability of success.
- **Anticorruption Law** – Discussions with the Legal Office and the Internal Controls, Compliance and Corporate Risk Office involved aspects relating to the Anticorruption Law, primarily the procedures deployed.
- **Human Resources** – Discussions with the Human Resources Office centered on matters concerning management compensation and benefits.

Internal Controls and Corporate Risks

The Committee assessed compliance with local laws, rules and regulations and will go on monitoring progress of international compliance activities over 2017 through to completion of the data survey and implementation stages.

The Committee reviewed the Corporate Risks Report that meets the requirements of CVM Instruction 461/07 and the Internal Controls Report drawn up in accordance with section 3 of CMN Resolution 2554/97.

The Committee regularly receives a summary of the notifications forwarded by the Regulatory Agencies and the Judiciary concerning matters within the Committee's scope, and assesses how they are handled. At the Board of Directors' meetings, the Committee coordinator and the Legal Office summarize the main notifications received.

The Audit Committee, with the support of Internal Audit, became aware of the policies and procedures on money laundering, related party transactions, use of the company's assets by its management and expenses incurred by management on behalf of the company, and no cases of non-compliance were observed.

The Audit Committee is of the opinion that the procedures intended to raise the efficacy of the internal control and risk management processes are appropriate.

Independent Auditors

The Audit Committee met with the independent auditors (Ernst & Young – EY) to gather information about the policy for maintaining independence when executing their work and decided that there were no conflicts of interest in the work, over and above auditing the financial statements, which the Executive Board may occasionally request. Also discussed were: risk analysis of the audit they carried out by EY, work planning in order to establish the nature, time and extent of the principal audit procedures chosen, possible attention points identified and how these were to be audited. In addition, discussions covered the results of the audit carried out by EY on Central Counterparty Risk and IT. Particularly with regard to the Financial Statements as of December 31, 2016, and as a result of changes in the applicable rules, "Key Audit Issues" were addressed and this topic has since been included in the Independent Auditors' Report

Upon conclusion of the special review work on the Quarterly Information (ITR) during 2016, the main conclusions were discussed with the auditors. At the start of the preliminary and final audit work on December 31, 2016, specific meetings were held to revisit the audit risk areas, the respective procedures and the main findings.

All points deemed relevant were covered so as to assess the potential risks involving the financial statements and how to mitigate those risks using audit and control procedures.

In January 2017, the Committee carried out a formal evaluation of the independent auditors, having considered the quality and the volume of information provided sufficient. The Committee presented suggestions to improve certain aspects identified by and discussed with the auditors.

No situations were detected that might compromise the independence of the external auditors.

Internal Audit

The Audit Committee has technical oversight of the Internal Audit. In 2016 it approved the Annual Internal Audit Plan and its modifications, and periodically accompanied its progress. The audit reports were submitted and discussed with the Committee, which considers the scope, methodology and results of the work carried out satisfactory.

The Audit Committee continues to monitor the Action Plans arising from the audit points raised in all areas that were audited. In January 2017, the Committee formally evaluated the internal audit, and all items assessed were deemed compliant.

Audit Committee Recommendations

During 2016, the Action Plans resulting from previous years' recommendations were properly implemented, duly monitored by the Audit Committee.

Conclusion

The Audit Committee asserts that all relevant facts, which it was given in order to understand the work carried out and described in this report are properly disclosed in the Management Report and in the audited financial statements as at December 31, 2016, recommending their approval by the Board of Directors.

São Paulo, February 17, 2017

Nelson Carvalho – Committee Coordinator, Financial Specialist and Representative of the Board of Directors of BM&FBOVESPA S.A.

Laércio José de Lucena Cosentino – Representative of the Board of Directors of BM&FBOVESPA S.A.

Luciana Pires Dias

Paulo Roberto Simões da Cunha

Pedro Oliva Marcilio de Sousa

Tereza Grossi

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COORDINATION

Media Relations, Sustainability & Communications

Investor Relations Department

HR Department

Internal Control, Compliance and Corporate Risk Department

Financial Department

COMPOSITION

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TRANSLATION AND REVISION

Transcreation Ltda.

GRAPHIC DESIGN

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GB8 Design e Editoração Ltda.

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