

Market Development Initiatives

Client and Business Development

August 2016

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Business opportunities

Operational

- Improvements - IPN v.2
 - Uncertified offers
 - Give up (borrowers)
 - Intraday average rates

Regulatory

Local clients

- Request to SUSEP – Insurance Company
- *Approach* to Ministry of Social Security - RPPS

Non-residents

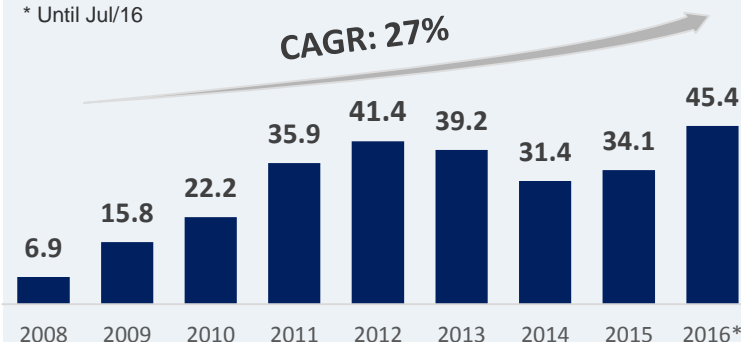
- Request to ESMA and SEC – UCITS and 1940Act Funds

Dissemination

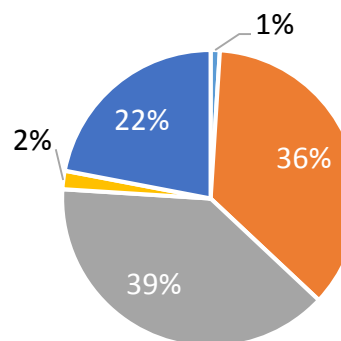
- Events attendance (ex.: ISLA, RMA, PASLA)
- Annual roadshows in US and Europe
- Interactions with local clients that still doesn't use the service

Open Interest – BRL Billions

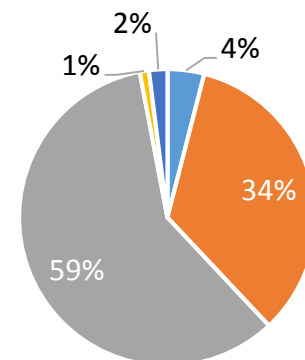
* Until Jul/16



(%) Lenders



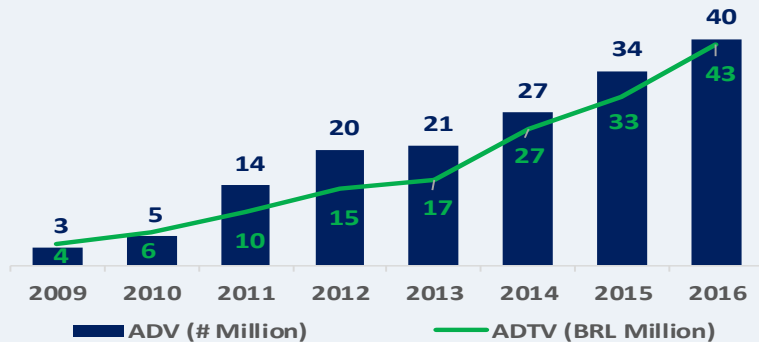
(%) Borrowers



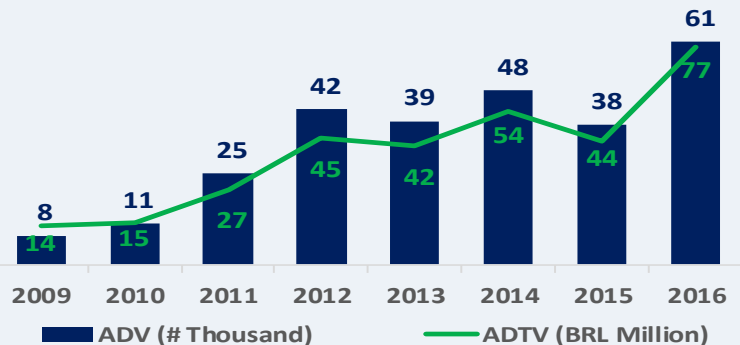
Options with Market Making Program

- 24 single stock options*
- 1 ETF option (BOVA11)
- 1 Index Option (Ibovespa)

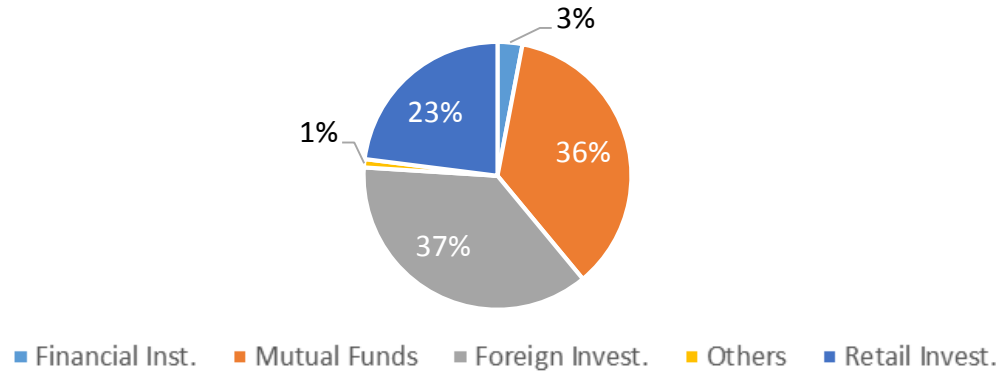
24 single stock option + ETF option (BOVA11)



Index Option (Ibovespa)



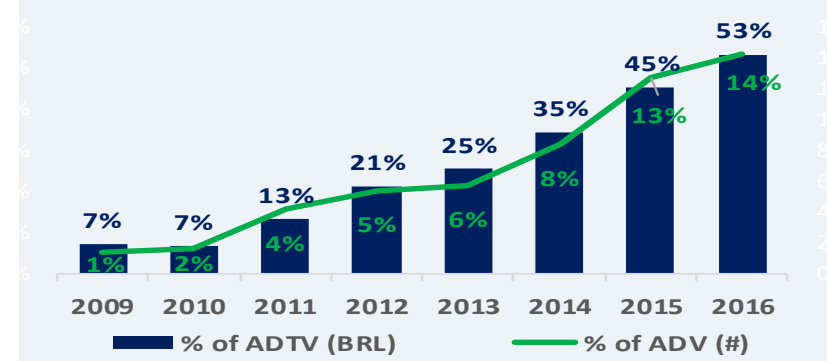
Investors breakdown on option with MM (%)



Deconcentration

Before MM Programs, volumes on options were highly concentrated on PETR and VALE :

% MM options in ADTV



Source: BM&FBOVESPA – jul/16

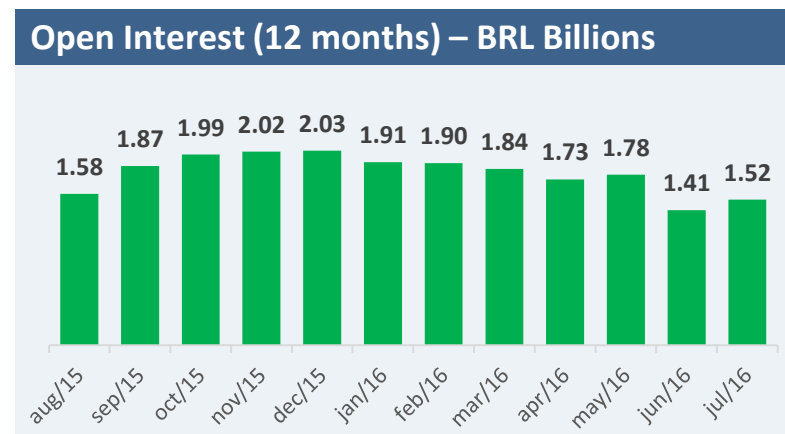
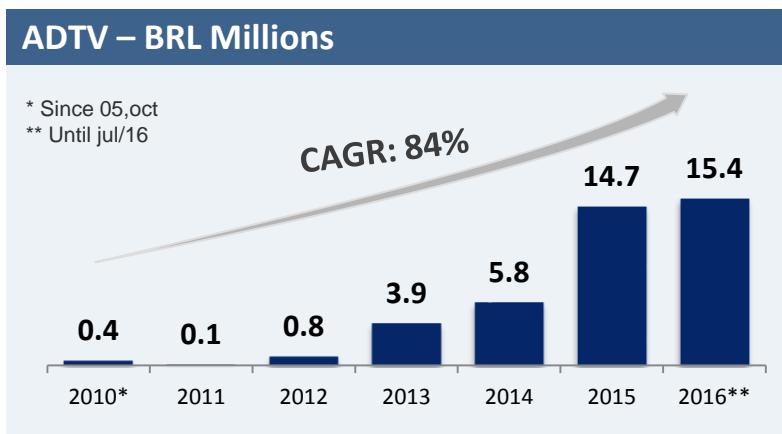
*ITUB4, USIM5, BVMF3, BBDC4, GGBR4, BBAS3, CSNA3, CYRE3, ABEV3, CIEL3, BRFS3, BBSE3, KROT3, OIBR3, CCRO3, CMIG4, TIMP3, UGPA3, VIVT4, BRML3, LREN3, JBSS3, CSAN3, QUAL3

Highlights

- **4 depository institutions:** Bradesco, Citibank, Deutsche Bank and Itaú Unibanco
- **122 programs available for trading**
 - 121 based on US-companies
 - 1 based on LATAM

Under development initiatives

- To accept non-sponsor BDRs as collateral
- Non-sponsor BDR lending
- Treatment of trading halt in case of corporate actions
- New reference price methodology

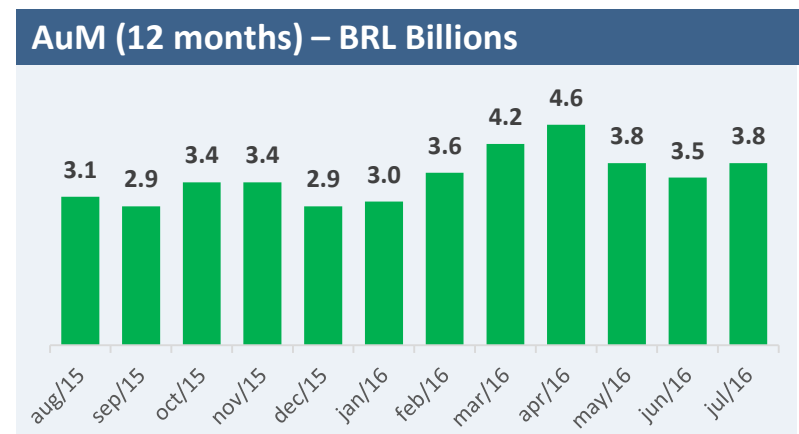
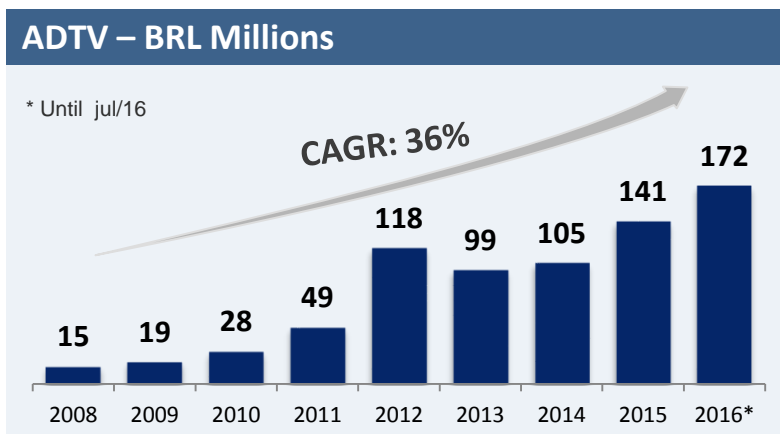


Highlights

- **ETF Managers:** Banco do Brasil, BlackRock, Caixa and Itaú Unibanco
- **15 ETFs tracking local and foreign equities indices**
 - 13 ETFs tracking local equities indices
 - 2 ETFs tracking foreign index (S&P500)

Under development initiatives

- To accept International ETFs as collateral
- Bring new ETF managers to list other local and foreign ETFs
- Courses, workshops and events for the dissemination of the product



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Market Makers

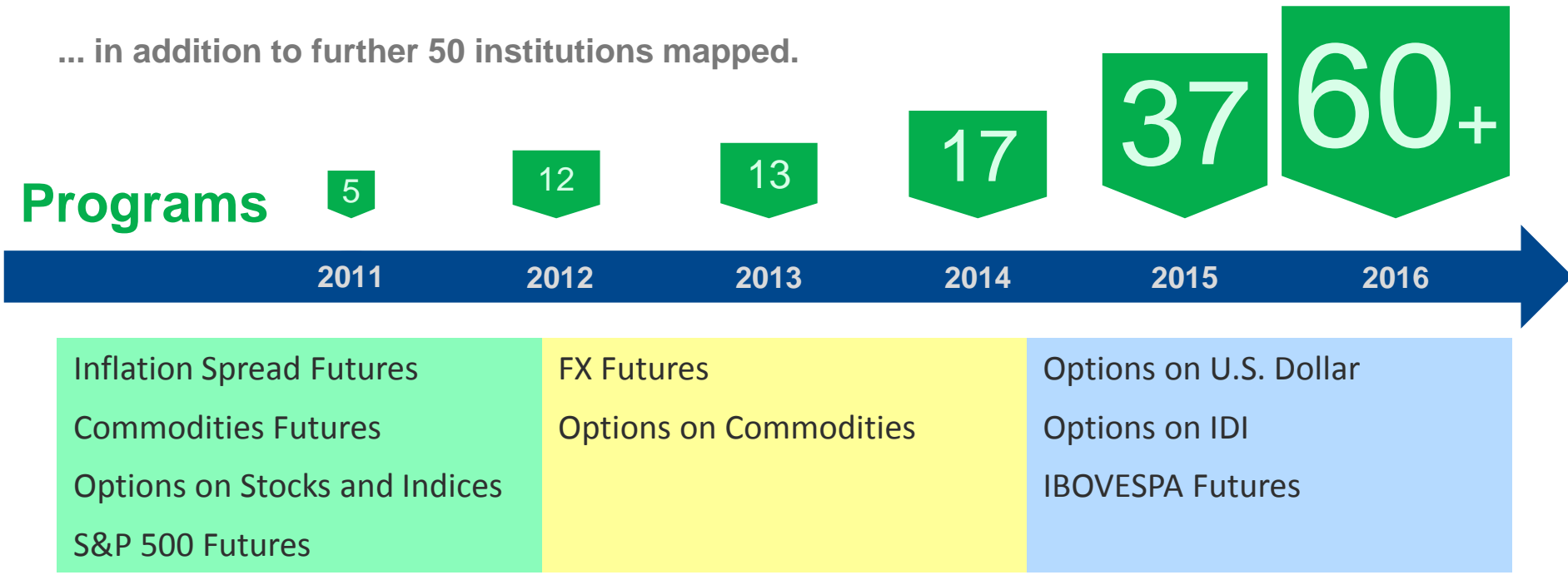


Achievements

- ✓ Trading volumes growth
- ✓ Spreads decrease
- ✓ Higher open interest
- ✓ Lengthening of price curves

... in addition to further 50 institutions mapped.

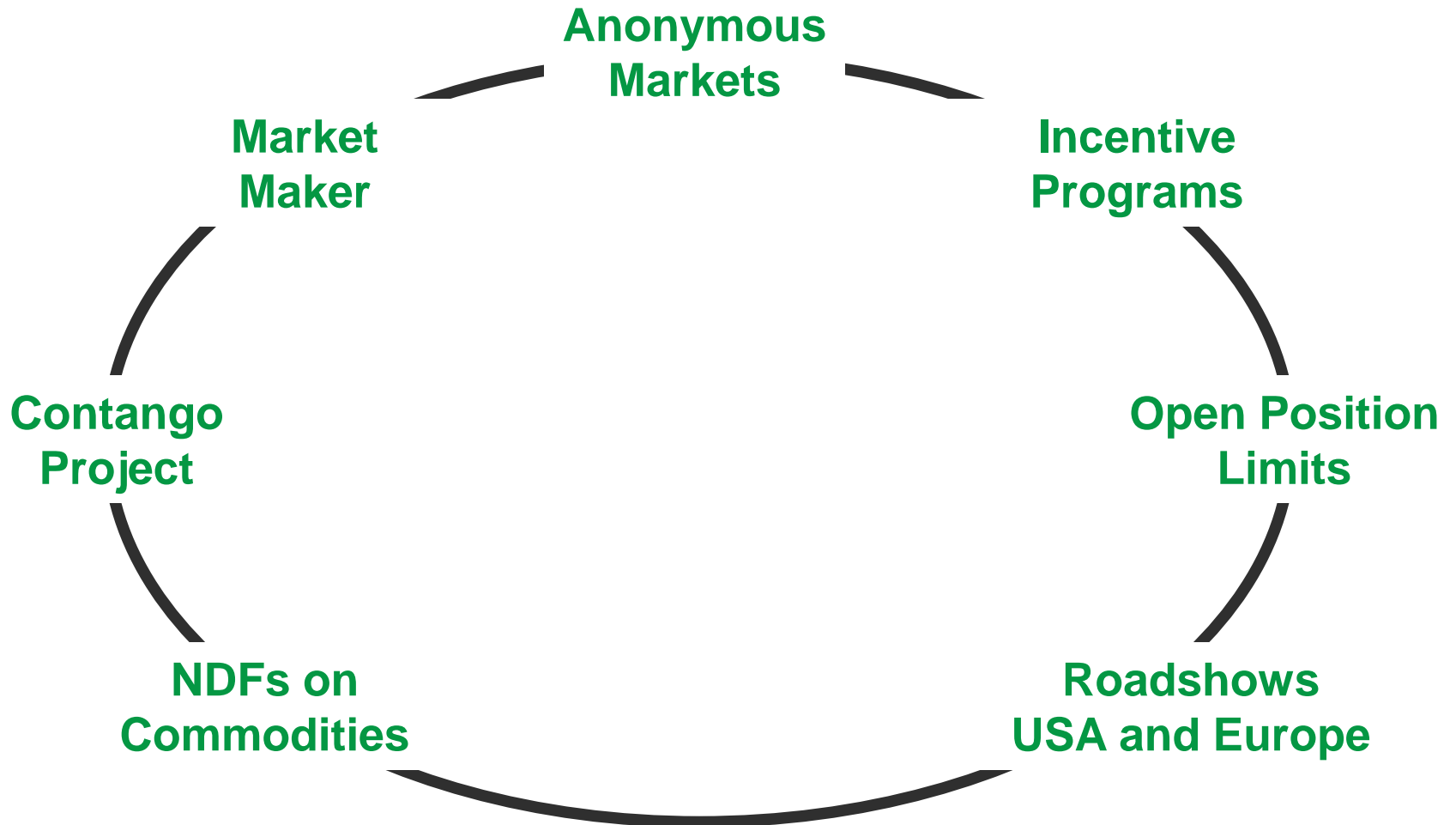
Programs



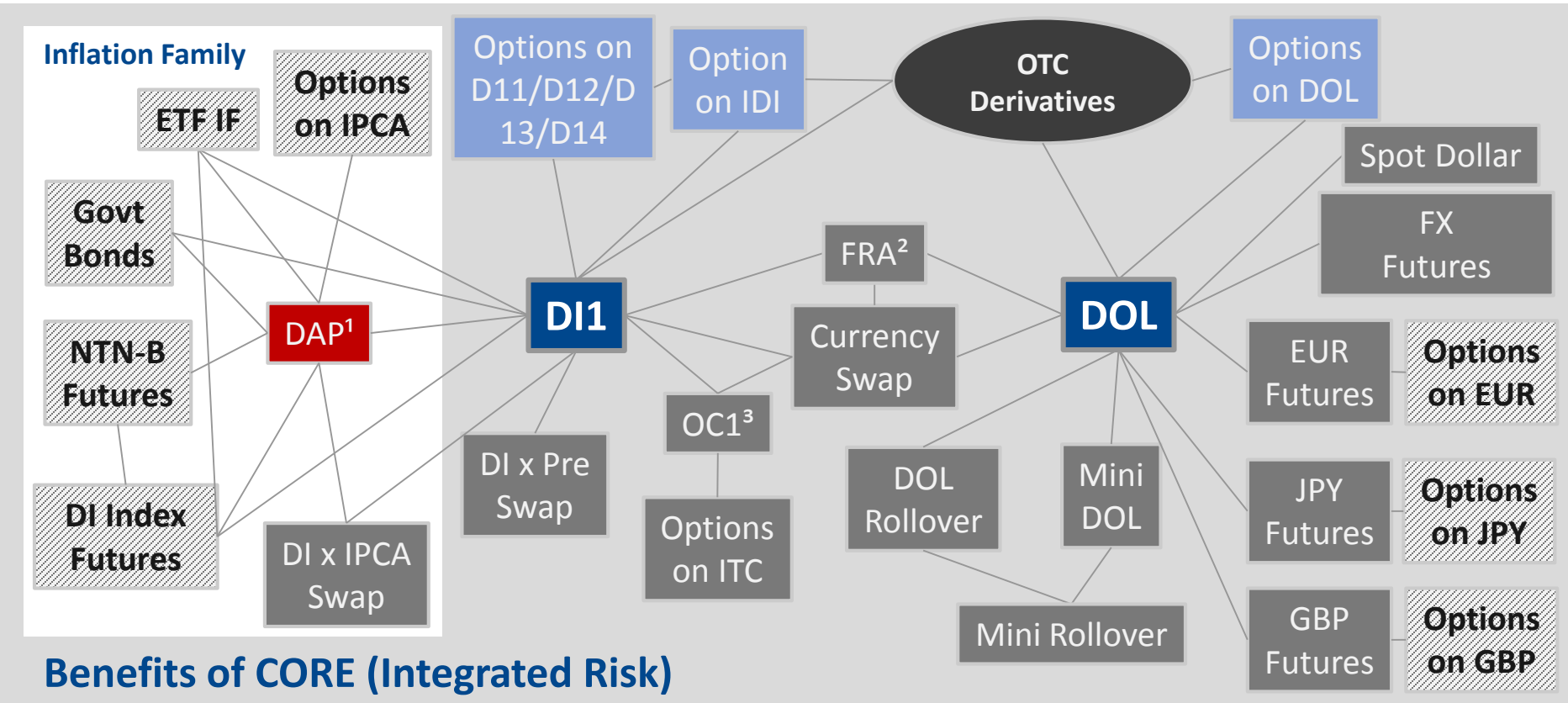
Inflation Spread Futures Commodities Futures Options on Stocks and Indices S&P 500 Futures	FX Futures Options on Commodities	Options on U.S. Dollar Options on IDI IBOVESPA Futures
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Ongoing
 To be announced
 Evaluating

Key developments



Enhancements and Expansion of Products



Benefits of CORE (Integrated Risk)

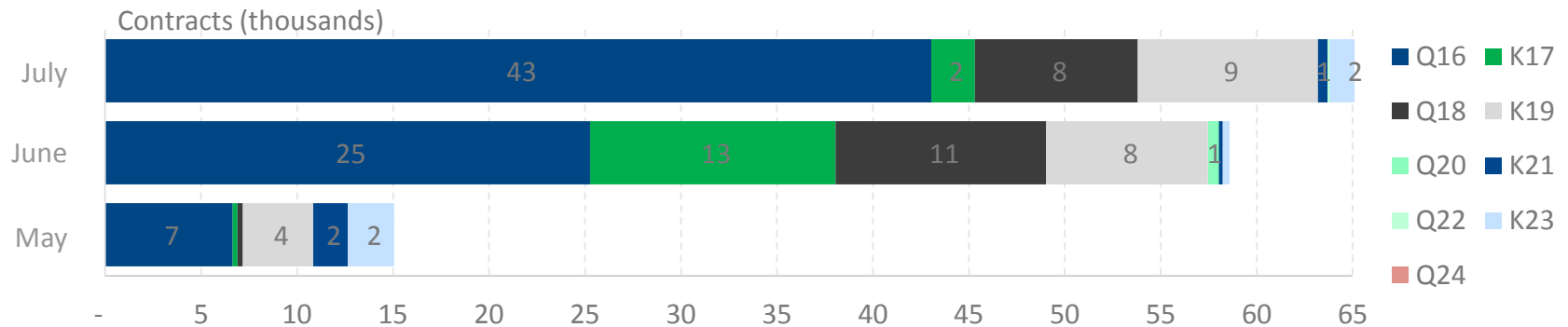


¹ Inflation Spread Future contract. ² Forward Rate Agreement on coupon. ³ One-day repos (Selic Futures)

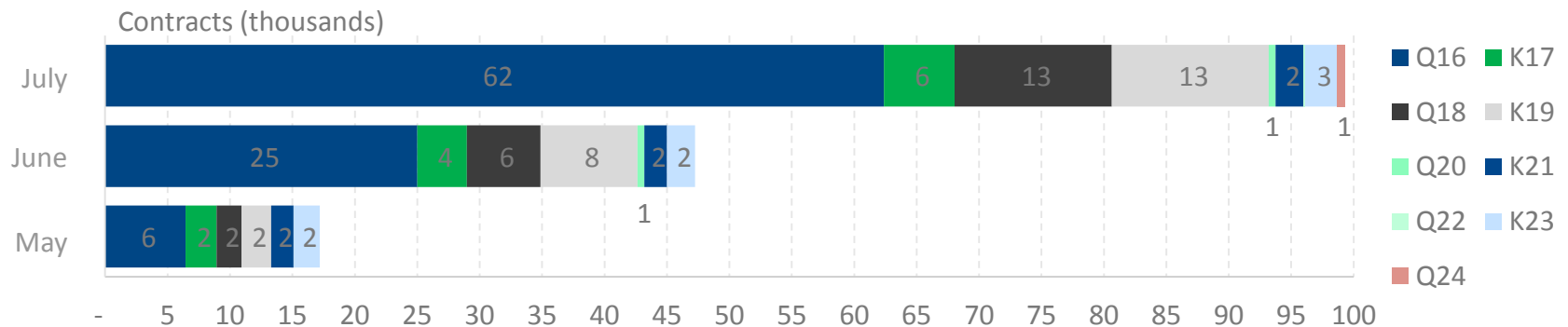
Operating figures

- 100,000 contracts in open interest achieved on Aug 1st
- Over 160,000 contracts traded on 11 different maturities

Trades



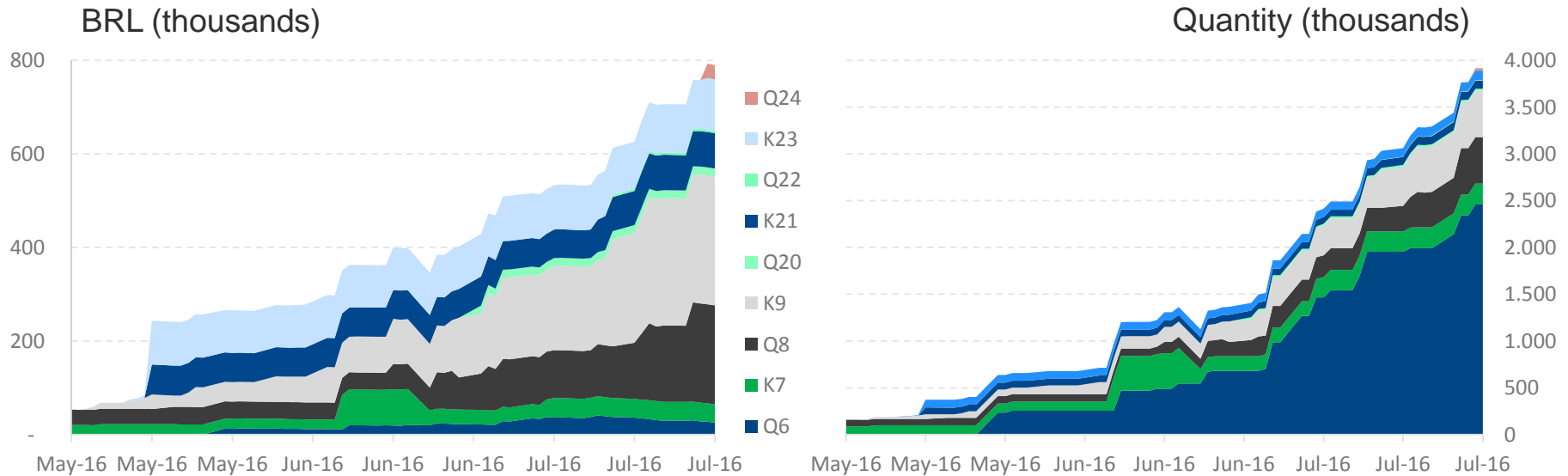
Open Interest



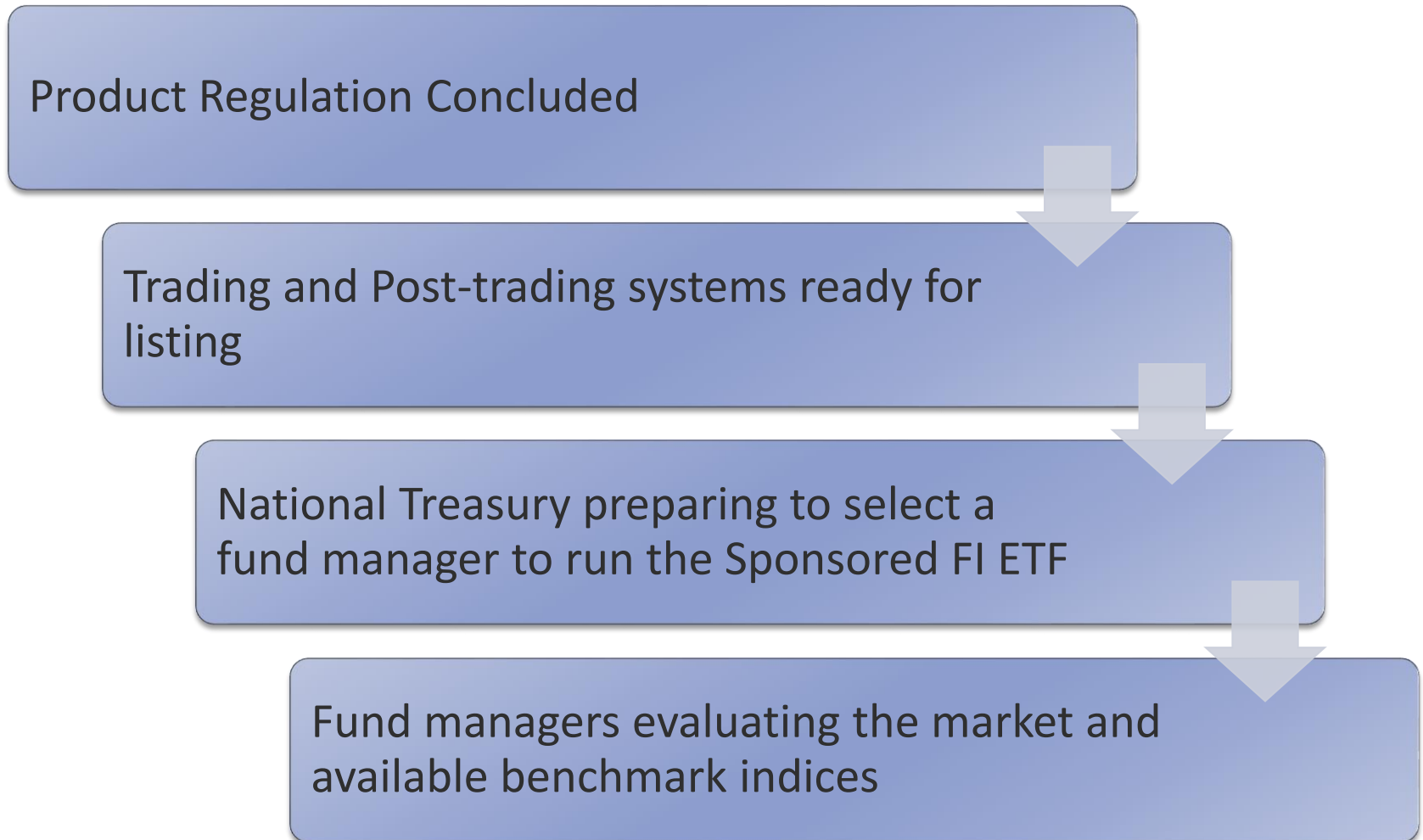
Operating figures

- 100,000 contracts in open interest achieved on Aug 1st
- Over 160,000 contracts traded on 11 different maturities

Open Interest equivalent to NTN-B



Products Status



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