Q4 2015 Earnings Call

Company Participants

- Daniel Sonder
- Rogério de Araújo Santana

Other Participants

- Carlos Gomez-Lopez
- Carlos Macedo
- Tito LaBarta

MANAGEMENT DISCUSSION SECTION

Operator

Good afternoon, ladies and gentlemen, and welcome to the audio conference call about the earnings results of BM&FBOVESPA for the fourth quarter of 2015. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions to participate will be given at that time. As a reminder, this conference is being recorded and broadcast live via webcast. A replay will be available after the event is concluded.

I would now like to turn the conference over to Mr. Daniel Sonder, Chief Financial Officer of BM&FBOVESPA.

Daniel Sonder {BIO 18250247 <GO>}

Hi. Good morning, everyone. Sorry for being a couple of minutes late. I just want to thank everyone for joining the call and for following our company. I'm here with the Investor Relations team led by my colleague, Rogério Santana, who will help me throughout the presentations, as well as in the Q&A.

As in the previous call, just I would like to formally open the call by reading a statement. It says as disclosed to the market by BM&FBOVESPA, the company is engaged in preliminary non-binding negotiations with Cetip, aiming at the possible combination of the two companies. All relevant information until now on this matter has been disclosed through the Material Fact and Notice to the Market released in November and December. Therefore, we will not make any additional comments and we will not answer any questions on this subject in the conference call today. Any additional disclosure regarding this subject will be made exclusively through the formal channels as defined by Securities regulations.

So having said that, I want to take you through the book very briefly. If you move to slide three, that's where we have the financial highlights for the year and we open with an overview of what has happened in our operations and in our financial results. Non-recurring impact related to the sale of part of our equity investment in CME Group and the impairments of part of the goodwill created in the merger with Bovespa Holding, are also described here. Then we'll go into more details in the following slides.

On the left side of this page, we see that the total revenues grew 1.8% in fourth quarter 2015 versus 2014, reflecting the solid performance in the BM&F segment and in other business lines not tied to volumes. It is worth mentioning that the volumes in 2014 in equities were boosted by pre-election volatility. And that's why we show a weak performance on the year-on-year comparison between equities for 2015 last quarter and equities 2014 last quarter.

Our adjusted net income grew by 43%, reflecting our dividend expense management and also an increase in financial results as well as the part of this impact generated in the company by our choice to pay into some capital as of second quarter of this year, which reduces the company's tax base.

In the center of the page, you see the full year highlights. Top line grew by 9.5%, once again mainly driven by solid performance in the BM&F segment and in other business lines, not tied to volumes. Our adjusted expenses reached R$614 million, which was within the budget set for the year. We also have - pardon me, and the outcome of our adjusted expenses was a growth that was significantly below inflation.

Our operating income was 11% higher and adjusted net income was up 23%. Our payout through dividend and interest on capital totaled R$1.2 billion or R$0.70 per share, and the payout ratio reached 73%. Also the company bought back R$290 million of its own shares, which represents 1.5% of the total free float. If we were to add the payout through dividend and interest on capital with the buybacks that's roughly R$1.5 billion and we calculated a sort of total payout ratio over market cap which is 7.6%.

On the right side of the slide, we'd like to call your attention to two non-recurring items that impacted our financials in this quarter and in the year. First, we have already spent some time talking about the sale of the CME shares. We sold 20% of our equity stake and also that led to discontinuing the equity method of accounting for the remaining investments. It's important to pay attention to the fact that the tax due in the capital gain created in this year (05:14) was fully offset against tax credit created by the payment of interest on capital.

Secondly, we have an impairment this quarter of the book value of Bovespa Holding in the amount of R$1.7 billion or R$1.1 billion after-tax. And as you know, impairment is a non-cash charge. We will go in more details on that during the presentation and during the Q&A.

As we move to page four, we wanted to emphasize that we maintained our strict focus on the two main strategic objectives for our company. Although we had a difficult year in terms of macro and market environment, we have been able to continue to on one hand, build a world-class IT and operations infrastructure while at the same time focus time and energy on adding revenues through the continuous development of products and markets.

We concluded substantially all of the development related to the second phase of our new integrated clearinghouse, which will migrate the post-trading of equity and corporate bond into the new BM&FBOVESPA Clearinghouse.

The first phase was concluded in August 2014 and migrated listed and OTC derivatives contracts into the new BM&FBOVESPA Clearinghouse. The new clearinghouse aims to integrate not only the technology and process but also the risk calculation. Having all markets managed by BM&FBOVESPA within the same clearinghouse will generate significant benefits for the market, delivering capital efficiency to our clients and increasing market resiliency.

The effort and investments in terms of equipment and professional skills that we have put into the PUMA Trading System have been delivering a great performance and resilience to the trading environment. That has been available almost 100% of the time since it was implemented. There's another metric which is important to note, not only is it resilient over time, but also very, very resilient under peak times. And just recently we have again recorded a record in terms of the capacity of our systems to deal with very, very large volumes. Just this week - sorry yesterday, pardon me, when S&P - the day before yesterday, and as we said, when S&P announced the further downgrade of Brazil, we had another peak within one minute of trading which was a record in our exchange.

Also regarding infrastructure developments, we concluded the migration of our OTC derivatives contracts to our new registration platform that will allow us to increase the quality of services offered to our clients in this market.

When we look at the right side and talk about products and market developments, we are concentrating our efforts in increasing liquidity for listed products. With this goal, we are expanding our market maker programs, increasing the number of active programs to 35 in 2015. Besides that, we're working to attract new participants to our security lending platform, mainly local pension funds and foreign investors.

We're also working on other fronts of revenue diversification. Some of the main initiatives are the development of a new family of inflation-linked future contracts. The expansion of the number of non-sponsored BDRs listed in our markets and the improvements made in the Tesouro Direto platform.

The company has also been making an effort to drive revenue growth by implementing enhancements to our pricing and incentive policies. These have been gradually announced and put in place over the last few quarters. These adjustments to our commercial policies are already positively impacting our results and the full benefits will be captured in 2016.

Another initiative was the launching of the Corporate Governance Program for State-Owned Companies, which provides a framework for companies to improve disclosure, board and management selection, internal controls and compliance.

Last but not the least, during 2015 we did a minority investment in the Bolsa de Comercio de Santiago, aiming to establish a strategic alignment that would promote the development of both markets.

Now Rogério will give more details about our operational performance.

Rogério de Araújo Santana

Thank you, Daniel. Hello, everyone.

I would like to ask you to move to slide five where we highlight the resilience of our diversified business model. The performance of financial and commodity derivatives coupled with initiatives to drive non-volume related revenues, underscored this aspect of our business model.

The chart on the left side shows that, as we've seen in the previous quarter, the greatest contribution to revenue growth came from financial and commodity derivatives market within the BM&F segment where we have a long exposure to U.S. dollar as well as exposure to volatility around interest rates and FX rates. Also the business lines not related to volumes, showed good results in the quarter and contributed to revenue growth, reflecting a solid performance of some products coupled with recently implemented enhancements to our price and incentive policies.

The performances of these two group of sponsors were more than enough to offset a weak equity market performance in the quarter. It's worth to remind that the volumes in 4Q 2014 were extraordinarily boosted by high volatility levels related to pre-election periods in Brazil and we have not seen that in fourth quarter 2015. On the right side, the pie chart shows that the derivatives market are the main sources of revenues for BM&FBOVESPA.

If we sum up financial and commodity derivatives that represented 42% and the derivatives on of single stock indices were another 3.1%, to reach more than 45% of total revenues versus around 33% of cash equities. Additionally, 28% of the company's 4Q 2015 top line were U.S. dollar-linked, it's showing once again the merits of our revenue diversification.

Moving to slide six. You will find details on the performance of the financial and commodity derivatives. The 18.9% revenue growth in the BM&F segment was driven by a 27.3% increase in the average revenue per contract or RPC, which was partially offset by a 4.2% decrease in the ADV. In the bar chart on the left side, you see that contracts priced in U.S. dollar and contracts exposed to interest rates are the most relevant in this segment.

The main contribution to the revenue growth in this market has come from contracts priced in U.S. dollar, mainly FX contracts, interest rates in U.S. dollar and commodity contracts, from which the combined revenue grew more than 30% year-over-year. In the 4Q 2015, contracts priced in U.S. dollars generated 57% of total revenues in this segment. On the bottom of this slide, you'll see that 2015 full year performance for this segment, in which revenues grew 23.9% reflecting double digits growth in both ADV and RPC.

In the slide seven, we have the performance of the equity market. Revenues in the equity business from the Bovespa segment fell 18.2% in comparison with 4Q 2014, reflecting the negative performance of both cash equities and equity derivatives market. The decrease of 20.1% in the cash equities ADTV is expanded by a combination of reduction in the market capitalization with lower turnover velocity. Again, it's worth to highlight that 4Q 2014 bonds have been fueled by pre-election volatility and reached its all-time high at that time.

Trading and post-trading margins reached 5.013 (sic) [5.254] (13:16) basis points in 4Q 2015, a 4.8% increase year-over-year or 0.24 basis points higher. This increase reflects the lower participation of volumes connected to [ph] dissipation (13:28) of options in the stock since trade and post-trade fees does not apply to a significant portion of it. On the bottom of this slide, you will see the 2015 full year performance of the segment revenues. Revenues fell 7.8%, reflecting a reduction in the ADTV.

Moving to slide eight, we highlight the importance of other sources of revenues that are not related to volumes. One of the drivers of the company's strategy is to increase the revenues coming from this group of products and services. We pursue this goal mainly by actively marketing these products and services, as well as altering prices and incentives applied (14:09) to them when we see opportunities.

This group of business lines, as you can see in the grey piece of the pie chart, represents a 20.2% of total revenues in 4Q 2015 and in aggregate grew 18.3% year-over-year. This growth results from solid operating performance of some products and services, notably securities lending combined with price and incentive adjustments as detailed in slide four by Daniel.

Now I'll pass the word back to Daniel who will detail our expenses and other financial highlights.

Daniel Sonder {BIO 18250247 <GO>}

Hi. So I'll move now to our page nine in the book. And thank you Rogério, for your presentation.

In the next slide, we show the expense breakdown for the quarter. Our adjusted expenses fell by 2.6% year-over-year, mainly driven by lower expenses in data processing, third-party services and communications. Our adjusted personnel expenses which exclude long-term incentive plans and personnel expenses capitalized towards projects, increased 7.4%, below the wage adjustment of around 9% which we are subject to under the annual collective bargain agreement applied since

August 2015. The lower increase in personnel expenses compared to the wage adjustments is explained by the constant efforts made by us in managing the company's head count.

Data processing expenses fell R$9 million, a 21.9% decrease, mainly because in fourth quarter of 2014 we had a non-recurring payment of R$9.5 million for the upgrade rights of PUMA platform. Regarding third-party service expenses, those were R$2.2 million lower or a 16% reduction, reflecting lower expenses with consulting and legal advisory services. Also as has been the case in previous quarters, communication expenses have decreased, again, reflecting a reduction of the mailing expenses related to custody statements which we turned into electronic statements.

In slide 10, we take a longer-term view of the expense side of the business. We see the evolution of how our main expense lines have developed in 2015 compared with 2014 on the left side and all the way back to 2011. We showed the nominal and the real change in each one of those lines in both periods. As you can see in both comparisons, we achieved successful results in managing the company's expenses. This is a result of several initiatives including adjustments through head count, contracts, review of contracts, enhancements of processes and prioritization of activities.

I just want to comment that I have had great support from the senior management and my predecessors have also had support from the entire team here and the entire company. I think we have implemented a very strong expense management culture throughout the business and we have seen a number of initiatives being brought forward in terms of turning the business into a very efficient platform.

It's also important to highlight the challenging scenario we have to face during 2015 regarding our expenses. Last year budget was forecasted in October 2014 under a very different macroeconomic scenario. To keep costs down in 2015 and maintain our previously announced budgets, we have to absorb sudden impacts in inflation, particularly energy, wages and third-party contracts. This required efforts on the company staff, prioritizing activities, improving processes and sometimes renegotiating contracts with suppliers. This is a challenge that we will face going forward as well, and we strongly believe we are prepared to deliver good outcomes for our shareholders on the expense side, keeping them in line with inflation.

We move now to slide 11, which is where we typically show our financial position. We always like to highlight how our financial robustness and a solid cash position is very important for our business of being a credible counterparty in the financial market. Total cash amounted to R$5.2 billion at the end of the quarter, being composed by cash held as collateral on behalf of third parties and BM&F's own cash.

On the left and blue side of the graph, we can see the third-party cash which amounted R$1.9 billion, mainly composed by market participants' cash collateral of R$1.4 billion. On the right side, represented by the green bars, is BM&FBOVESPA's own cash composed of restricted and available cash amounting to R$3.3 billion, which includes the proceeds of the sale of the partial divestment in the CME Group, which took place in September 2015.

Our financial results increased very significantly quarter-on-quarter as a result of the R$173 million dividends received from CME at the end of the year and also the higher average interest rates and the higher cash balance which we have held.

As we move to slide 12, we show our return of cash to shareholders during the year. We feel very good with the fact that we've been able to maintain our financial robustness, make a significant investment program and improving our platform in IT systems and at the same time, returning significant amount of cash to our shareholders. In December 2015, we approved and paid R$450 million in interest on capital to our shareholders, which effectively is a – advance on the results of that quarter. If you combine this amount with the payments made in the previous quarters of 2015, the total payout for the year reached more than R$1.2 billion, representing 73% of the net income excluding impairment expenses and non-recurring impacts related to the CME Group.

This reinforces our practice and commitment to consistently returning capital to our shareholders. The CapEx executed for the quarter reached R$60 million; in the year we invested R$227 million, within the budget of R$200 million to R$230 million previously established. For 2016, we are repeating the same budget for CapEx in the range between R$200 million and R$230 million.

Now going back to cash return to shareholders. If you again add the dividends and IoC distributed during the year with the share buyback of roughly R$300 million, we have a total yield or a total return to investor of roughly 7.6% of our average market cap in the year.

In slide 13, we go through the adjustments in our net income. I'm not going to spend too much time on this. We can go back in Q&A. Essentially what we tried to do here is reconcile our net income to a net income excluding the CME and the impairment impact and also to what we call adjusted net income which is a sort of low comparable basis for everyone who looks at our numbers on a year-on-year comparison. So we grew adjusted net income by 23%. We grew net income excluding CME and impairment by 73%.

And finally, on slide 14, we wanted to discuss a little bit these three events. I think I'll skip the non-recurring impacts related to CME Group because we've talked about them in the past.

With respect to the impairment of the recoverable assets, that reached R$1.1 billion net of tax. Goodwill has been tested by an independent specialist firm that found that adjustments were required since we experienced a reduction in the market value of listed companies in the Bovespa segment, and worsening expectation for interest rates and country risk both for short and long term. This is reflected in a higher cost of capital used in the DCF made for this analysis. It's obviously important to highlight that this is a non-cash expense. It also does not impact from a tax perspective our ability to continue to use the tax benefit of the goodwill.

Last but not least with regards to tax policy, in 2015 we chose to distribute our payout preferably through the payment of interest on capital, which totaled R$1 billion in 2015. This allows us to generate tax losses that can be offset in future periods against taxable earnings. It's particularly valuable after 2018 when the tax benefits of the goodwill will be over. In our view, it will optimize the capital return to our shareholders using a different combination of interest on capital, dividends and share buybacks.

Thank you very much for your time. And I would like to now open the Q&A session. And just before doing that, thank again the Finance team, the Investor Relations team and the legal team, which during the span of the year were particularly hard to make all this information available to you.

Q&A

Operator

Our first question comes from Mr. Carlos Macedo with Goldman Sachs.

Q - Carlos Macedo {BIO 15158925 <GO>}

Hi. Good morning, gentlemen or good afternoon. Thanks for taking questions. Couple of questions. First, you mentioned the non-trading (25:04), the non-market related revenues that are up. And I look at it from a different angle that brings two things in. Those revenues cover for the last 12 months around 70% of your expenses. I know you're putting a bunch of initiatives to try to improve those revenues as well as the bunch of initiatives trying to contain your expense growth. What should we expect that relationship to – where should we expect the relationship to go, not only for 2016 but further out? Do you expect to be able to cover your expenses with these non-market revenues, or is that something that is beyond the realm of possibility at least for the medium term?

Second question. Not to talk about what's going on in M&A in Brazil, but looking outside of Brazil, the investment in Santiago and then the Santiago exchanges, is there anything else in the pipeline? What's the goal for your investments outside of Brazil? We understand that there's competition coming online in Mexico. Was that a thought that you might want to join in? What are the objectives going on? Thank you.

A - Daniel Sonder {BIO 18250247 <GO>}

Okay. Marcelo, thank you very much. So with respect to the first point let's say the relationship between our recurring expenses and our non-volume related revenues, I think it's not really a metric that we follow that much. We don't have a particular aim for that. I think we are pursuing a number of initiatives to push those revenue lines.

I think it's possible that in the future, one will be bigger than the other. The inverse relationship than it is today, but it's not really something that we will say, once we have reached certain coverage ratio, we will then slow down initiatives or slow down our efforts to cut expense.

So we are working on both fronts very hard – both in expense management and in growing those business lines which obviously are healthy business lines for us in terms of mitigating some of the market effects on our business. But I would just say it's not something that we have a particular ratio that we aim at. With respect to...

Q - Carlos Macedo {BIO 15158925 <GO>}

(27:27) question specifically, sorry, Daniel. So just looking back, this was in the mid-60s, three, four years ago. Now we're getting to 70. Should we expect that because of the initiatives you're putting in, we should follow the same trend going out? Is that something, a reasonable expectation?

A - Daniel Sonder {BIO 18250247 <GO>}

Look, again, we don't like to give too much – we don't like to give any revenue guidance. In terms of – again the expenses you kind of can work with what I mentioned, which is try to grow it with inflation, bearing in mind that we have some effects coming our way that I've discussed before, relating ending of projects as well as implementing new systems, which will require a lot of effort for us to keep expenses growing with inflation.

And again, on the revenue line, I think we are pretty encouraged by the results we saw this year in sec lending. Tesouro Direto continues to surprise us with putting robust growth rates. I think this is an area where we continue to focus. And given the high fixed income environment in Brazil, we should be successful. And market data, we completely revamped our commercial policy. We were able to negotiate with very large and significant clients' price increases. And this revenue line is linked to the U.S. dollar. So those are some of the elements that I would give you to sort of help you think about how those lines would grow.

Now going to your second question about investments outside of Brazil. Our strategy remains the same. We embarked on this about a year and a half ago in the second half of 2014, starting number of discussions with the exchanges, with the regulators, with the boards and managements of these exchanges around the region. Those conversations, as you know, they move forward in sort of different speeds and different directions, but we remain committed to doing these investments. Again, this is not something for the short term in terms of returns and it's not something that will consume an unreasonable amount of capital from this company. But we think that we can move forward with more than what we have done thus far.

Q - Carlos Macedo {BIO 15158925 <GO>}

Would you consider making a greenfield investment rather than a brownfield investment, say for instance as I mentioned, Mexico while there are some companies like the CME (30:31)...

A - Daniel Sonder {BIO 18250247 <GO>}

No, that's not in our radar at this point. What's on our radar at this point is conversations with the incumbent exchanges and trying to sort of invest in them and capture – help them develop their local markets and therefore capture value, and also establish links with our markets.

Q - Carlos Macedo {BIO 15158925 <GO>}

Okay. Thank you. Thank you, Daniel.

A - Daniel Sonder {BIO 18250247 <GO>}

Thank you. Thank you.

Operator

Our next question comes from Tito LaBarta with Deutsche Bank.

Q - Tito LaBarta {BIO 20837559 <GO>}

Hi. Good morning, and good afternoon. Thanks for the call. Couple of questions as well. Just maybe you could give a little more color on (31:13) derivatives business. You had a very good year last year and although partially benefited from the depreciation of the currency and also in other revenues as well benefited from the depreciation of the currency. I guess with the outlook for the business and if the currency doesn't depreciate as much, I guess is it reasonable to assume that the growth is less or do you benefit just because of the currency is at a much weaker level, just want to understand that relationship a little bit better for both derivatives and the other revenues.

And then second question just on the CME, is there any scenario where you envision you would sell more of your stake as you're looking to acquire something else outside of Brazil, or just any situation where you think you would sell more from where you are today? Thank you.

A - Daniel Sonder {BIO 18250247 <GO>}

Right. Tito, thank you. With respect to the first question, I think you pointed to a very important aspect of our results for this year which is the significant devaluation that took place between 2014 and 2015 did push our revenues higher to a significant amount. So again without wanting to predict the levels of the FX which is the hardest science around, I would just say that if such a devaluation doesn't occur again, we would lose one of the growth engines that helped us this time around.

Now having said that, it impacts mostly I would say three lines. One is market data which is in other revenues, and then the other two are future contracts linked to the FX and future contracts linked to the U.S. dollar interest rate. So those two contracts are charged in dollars because they have dollar underlying assets, right? So if you want to try to look at it, look at the RPC and the volumes for those and try to sort of establish what you think is going to be the effects for the year to try to have a better view of the outlook at that.

Now that aside, we are seeing in derivatives, or we have seen in 2015 some development, and we feel that this is a segment that even through difficult times can be sort of a very important pillar of resilience for our business, if I may put it this way.

With respect to the CME position what I can tell you is that again the board looked at this last year and decided as was announced that under those circumstances in the third quarter of 2015, the choice was to sell 1% and keep the other 4%. Now it was very clear in the statement that we made at the time and that have continued to make that, that was a decision that was for those circumstances. It is a very relevant position that the company has, and were the circumstances to change because of an investment as you suggested then that's definitely a decision that could be altered by the board.

Q - Tito LaBarta {BIO 20837559 <GO>}

Great. Thank you, Daniel. That's very helpful. And then just one quick technical question on the impairment that you did this quarter on the equity and the Bovespa, you said that will not impact your ability to continue to use this tax benefit or it won't change the amounts because of that impairment, that you've been using as tax benefit?

A - Daniel Sonder {BIO 18250247 <GO>}

No, it doesn't change the amount. The way that the tax treatment works is that you are afforded the right to deduct goodwill for tax purposes based on the original amount you paid for the transaction.

Q - Tito LaBarta {BIO 20837559 <GO>}

Perfect. Dan, that's very helpful.

A - Daniel Sonder {BIO 18250247 <GO>}

So even if during the life of the company from an accounting point of view, you feel that you have to write down the amount, that doesn't impact the tax deduction.

Q - Tito LaBarta {BIO 20837559 <GO>}

Great. Thanks, Daniel.

Operator

Our next question comes from Julie Aelbrecht (36:17) with Futures & Options World.

Hi. Good morning, gentlemen. I was just wondering if you could shed a little more light on the increase in the average revenue per contract? And talking especially about the OTC, the minis and the FX rates, (36:36) that it was partly due to the depreciation of the real. But I think I found it difficult to see how such high numbers or high percentages can be explained by just. So if you could explain a little more, that would be really helpful.

A - Rogério de Araújo Santana

Hi, Julie. This is Rogério. Thanks for the question.

Q - Operator

Hi.

A - Rogério de Araújo Santana

What we have here is that a significant portion of our derivatives business, 57% of this business is priced in U.S. dollar, right? So what we saw last year from the beginning of 2015 and to the end was a significant real depreciation against U.S. dollar. So we capture most of these FX movements through the prices we charge for this group of contracts.

This applies for FX futures, your interest rates in U.S. dollar futures, some commodities as well, and also some mini contracts, because we've seen the mini contracts family – we have the mini U.S.

dollar future contracts, right. So putting all these contracts together, it represents 57% of our derivatives business.

Regarding the mini contracts what we have last year was this depreciation that I just mentioned – the FX depreciation combined with also some price adjustments that were implemented at the beginning of the year. That's basically removed some distortions. And as a result, we are charging fees that are higher than the one of that we are charging in 2014.

And finally, regarding the OTC contracts. Also, we had changed the way we charge OTC derivatives, that was implemented in August. And this impacted the average price we charge for that.

Q - Operator

All right. Thank you very much.

A - Rogério de Araújo Santana

You're welcome.

Operator

Our next question comes from Mr. Carlos Gomez with HSBC. Mr. Carlos Gomez? Mr. Carlos Gomez, could you repeat your question, please?

Q - Carlos Gomez-Lopez {BIO 18107094 <GO>}

Yes. Can you hear me?

A - Daniel Sonder {BIO 18250247 <GO>}

Yes.

Q - Carlos Gomez-Lopez {BIO 18107094 <GO>}

Hello. Can you hear – okay, sorry for the quality. My question is very simple. You have not issued a new offer for Cetip. We would like to know if your interest is enhanced or diminished by the current market conditions?

A - Daniel Sonder {BIO 18250247 <GO>}

Carlos, thanks for the question, but I can't talk about that.

Q - Carlos Gomez-Lopez {BIO 18107094 <GO>}

Okay. Thank you very much.

A - Daniel Sonder {BIO 18250247 <GO>}

Sure.

Operator

This concludes today's question-and-answer session. I'd like to invite Mr. Daniel Sonder to proceed with his closing statements. Please go ahead, sir.

A - Daniel Sonder {BIO 18250247 <GO>}

Well, just thanks, everyone again for the time. I think we had a good year in 2015 despite difficulties. We have a tough macroeconomic scenario ahead of us. But the company is very focused on our products on staying close to our clients through these difficult times and also on managing our expenses and our investment programs with the best diligence and focus that we can. So I hope to stay in touch with you throughout the year and please again do call our very qualified Investor Relations team which are here to help you. Thank you.

Operator

That does conclude the BM&FBOVESPA audio conference for today. Thank you very much for your participation. Have a good afternoon. And thank you for using Chorus Call.