



**International Conference Call  
B3  
Fourth Quarter 2017 Earnings Results  
March 2<sup>nd</sup>, 2018**

**Operator:** Good morning ladies and gentlemen, and welcome to the audio conference call about the earnings results of B3 for the Fourth Quarter of 2017.

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. If you should require assistance during the call, please press the star key followed by zero (\*0).

As a reminder, this conference is being recorded and broadcasted live via webcast. The 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 B3.

**Mr. Daniel Sonder:** Hello, good morning everybody. I would like to welcome you all to B3's fourth quarter 2017 earnings conference call.

I'm here with Rogerio Santana, Head of our Investor Relations team, as well as the Finance and Investor Relations colleagues, and I would like to take this opportunity to thank them for preparing the documents you have in front of you and for the excellent work they've conducted along the year in informing the investor community.

Additionally, on behalf of the entire executive team, I would like to thank you for your continued trust and support of our company.

Let me take a moment to highlight that, as was the case for the previous quarters, fourth quarter 2017 audited numbers already contemplate combined results for B3. However, the year-over-year analysis is based on a non-audited combined income statement for the fourth quarter of 2016, which includes BM&FBovespa and Cetip's figures for that quarter.

I want to start the presentation on slide 3, where we highlight some of the important achievements and figures for 2017 full year, then we will move into the quarter-over-quarter... sorry, year-over-year fourth quarter analysis.

During the year of 2017 we saw a significant drop in interest rates in Brazil, which reached 7% at the end of the year. We believe this should have a transformational impact on the cost of capital in Brazil, on the development of the local equity and



debt markets, and on investors' portfolio allocation. We also are seeing initial signs of economic recovery; GDP grew 1% in 2017 and could accelerate to close to 3% in the 2018 and 2019 period according to market expectations.

These changes are reflected on the local capital market figures. The Ibovespa index rose 27% in the year, equity and debt issuances combined reached R\$160 billion, significantly higher than in previous years. Sales and financing of vehicles also reacted and total number of vehicles financed grew 9.7%.

This significant improvement in business environment resulted in great figures in the market operated by B3. Examples are: A record number of messages in trays that tested our trading and clearing house infrastructure capabilities; double-digit volume growth in equity and listed derivatives; and 10% growth in the number of retail investors in the equity market.

At the same time that we were prepared to support the market in this significant recovery, B3 also delivered on several strategic long-term fronts. After the merger approval, we moved forward in the integration project. Two highlights were: A, the reorganization of our clients and products function within B3 to increase client proximity and accelerate our development; and, B, the merger expense synergies that were captured earlier than initially expected.

We also delivered on other key initiatives: We deployed the second phase of our new integrated clearing house, a project that adds innovation, capital efficiency, IT resilience and capacity to the market. Additionally, we renewed the Puma trading system infrastructure, and enhanced the Novo Mercado corporate governance listing rules.

Finally, we are on track in our financial deleveraging strategy, which should be combined with significant cash distributions to our shareholders, as was the case in 2017 when we distributed R\$923 million in payouts, or 72% over our IFRS net income.

I'd like now to ask you to move to slide 4 in the presentation, where you will see the revenue performance and breakdown for 2017. In the bar chart on your left side we see that revenues from all 5 segments grew year-over-year, leading to a solid performance of 10.8 growth in total revenue. The main highlights were the Bovespa and Cetip financing segments.

On the other hand, we saw less growth in revenue from Cetip securities segment, and Rogerio will go into more details on that in the coming slides.

In the pie chart on your right side we see the breakdown of revenues for the quarter... for the year, sorry, which shows once again the highly-diversified and well-balanced business model we have.



In slide 5 we show the operational highlights for fourth 17 and full year 2017. As we will detail further throughout the presentation, we had a very strong performance in both quarterly and yearly figures. The main highlights were the Bovespa and Cetip financing segments, largely reflecting the recovery in the economy we saw in 2017. We also saw a solid performance in the BM&F segment, with significant growth in interest rate and mini contracts.

Moving now to slide 6, we show 7.9% year-over-year net revenue growth in the fourth quarter of 17. This was driven by solid performance in 4 of our 5 business segments, as you see on the left side of the slide. The only exception was the Cetip securities segment, that was flat year-over-year.

Adjusted expenses grew 2.7% year-on-year, showing once again our expense discipline, including some of the benefits of our synergy work.

Adjusted Ebitda that excludes nonrecurring items grew 12% year-over-year to reach R\$673 million in fourth quarter 17. On the other hand, the recurring net income was negatively impacted by the decrease in the financial result, which fell significantly due to the combination of increase in the company's debt and reduction of the cash balance, both as a consequence of the merger.

Finally, I want to call your attention to nonrecurring items that impacted our income statement in fourth quarter 17. We recognize 44 million in nonrecurring expenses related to the business combination with Cetip, in line with our budget. On the other hand, we had 2 positive impacts from reversals or provisions in this quarter: 23 million related to the company's healthcare plan recognized under Other Revenues; and 27 million related to legal contingencies recognized under Other Expenses.

Now Rogerio will give you some more details about our operational performance.

**Mr. Rogerio Santana:** Thank you Daniel, hello everyone. Moving to slide 7, you will find details on the performance of the financial and commodity derivatives market, where we had almost 10% year-over-year revenue increase.

As you can see, we experienced significant growth, volume growth in all groups of contracts. The main highlights in terms of ADV this quarter were FX rate and stock indices contracts, that grew 20 and 74% respectively.

These 2 group of contracts have benefit of growing volumes from local retail investors and high-frequency investors, whose have increased trading activity in the mini version of these 2 groups of contracts. Additionally, ADV of interest rates (the main group of contracts in this segment) grew more than 6% driven by the interest rate in the cycle that we witnessed in 2017.



The average RPC fell 3.2%, mainly reflecting higher share of high-frequency investors and day traders in the overall volumes. Since we charge lower-than-average fees on these transactions.

These effects were more significant in the FX and stock indices contracts since high-frequency investors and day traders represent a larger part of the ADV of mini contracts within these 2 groups.

In the slide 8 we have the performance of the equities market in the Bovespa segment, where we also saw solid revenue growth driven by a 16% ADTV increase, which went from R\$8.7 to R\$10.1 billion in fourth quarter 17, as you can see in the charts on your right upper side.

This performance reflects the combined recovery of the Brazilian equity markets, which is evident by the 23% increase in the market capitalization of Brazilian listed companies, as shown in the bottom right chart.

The trading and post-trading margins went down 2.1% to 4.958 basis points due to higher participation of local institutional investors for which we charge lower-than-average fees.

Next, in slide 9 we present the performance of the Cetip securities segments, where our revenues were flat in a year-over-year comparison. The recent performance of the segment has been impacted mainly by 3 items: (1) First, the decrease in volumes of OTC derivatives, that negatively impacted the revenue lines of registration and maintenance for CSD and trading repository services – this was the first impact –; (2) secondly, the impact of the Central Bank rule 4527 that pushed the banks to substitute debentures issued by their leasing companies for CDBs, as a funding instrument. This change negatively impacted the number of transactions registered in the system and the average fee charged for registration and maintenance services since of the fees charged on CDBs are lower than the ones that apply on debentures; (3) lastly, since the third quarter 17 we have accrued the discounts we offer to our clients in connection with synergies from the business combination with Cetip. As we have said, we will give back 30% of the synergies captured to our clients. This accrual is translated in lower average fee for most of the business lines we have in this segment.

We expect that these 3 items will keep impacting revenues in this segment in the coming quarters, probably this impact should be more intense in the first half of 2018.

In the slide 10 we show revenues for the Cetip financing segment, which grew 11.5% over the fourth quarter 2016, propelled by a 11.6% growth in the number of vehicles financed.



This market has shown continued signs of recovery since the beginning of 2017, as you have followed through our numbers. On the other hand, the company's market share in the contract system service contracts... contracted, sorry, contracted to 65.2% in fourth quarter 17 versus 75% in the same period of 2016.

This decrease is explained by the fact that we have not offered the contracted system service in the state of Minas Gerais since September 2017.

Now I will hand over the presentation back to Daniel, who will detail our expenses and other financial highlights.

**Mr. Sonder:** Thank you Rogerio. In the next slide we show the company's adjusted expenses, which reached R\$313 million in the quarter, a 2.7 increase year-over-year.

Adjusted personnel expenses, which exclude stock grant expenses, fell 4%. This reduction reflects synergy gains from the combination with Cetip that more than offset the impact of the 3% annual salary readjustment.

Just as a reminder, the total 100 million in synergies related to the combination with Cetip should be reached in 2018, earlier than initially announced.

On the other hand, we saw significant growth in third-party services expenses, which went up 89%. Most of this increase is connected to variable expenses directly linked to revenues, notably in the Cetip financing segments, where we saw double-digit revenue growth.

Moving to slide 12 we see the reconciliation of our expenses for the full year 2017. You see that we were on track with the budget disclosed to the market. Starting at the bottom of the slide, we show adjusted expenses of R\$1.067 billion, within the budget of 1.050 to 1.100. This means a 4.2% growth versus 2016, slightly above average inflation in the period.

Depreciation and amortization reached 742 million in 2017, mainly composed of 570 million in amortization of intangibles.

Additionally, this expense line was impacted by the deployment of the second phase of our integrated clearing house in August of 2017, and by the renewal of the Puma infrastructure for trading in November 2017. These systems now begin to be amortized.

Expenses related to the business combination with Cetip amounting to 492 million, in line with our guidance. We still expect roughly 60 million in nonrecurring expenses from the business combination in 2018, significantly lower than in 17.



Finally, we recognize provisions of R\$199 million. It's worth reminding you that we must mark to mark some of these... pardon me, we must mark-to-market some of the provisions according that are linked to our own share prices. Additionally, we recognized 180 million in stock grant expenses, which again are also partially linked to the company's share price.

In the slide 13 we show our financial robustness with a solid cash position. As we like to reinforce, having a strong balance sheet is an important part of the business of being a credible counterparty in the financial market.

Total cash amounted to 7.5 billion at the end of the quarter, composed by B3's own cash and third-party cash, mainly related to collateral pledged in cash buying clients.

In the light-blue bars you will find B3's own cash composed of restricted and unrestricted cash, amounting to R\$4.8 billion in fourth quarter 17. B3's own cash includes the necessary cash to run the day-by-day activities of the company, that totals between 2.5 and 3 billion, including 1.1 billion in clearing house's required safeguards. The remaining [0:16:33 unintelligible] the liquidity that supports our activities as a central counterparty and general corporate needs.

The cash balance that exceeds this minimum cash position at the end of the fourth quarter 2017 has to do with interest on capital payments of more than 500 million made in January 18, as well as some additional cash we're accumulating to face a 1.5 billion debt obligation at the end of 2018.

The bars on the left side of the chart show third-party cash, which amounted to 2.7 billion, mainly composed by market participants cash collateral of 1.9 billion. The company earns interest income on most of this cash balance.

Finally, in slide 14 you see the company's debt profile and amortization schedule. Currently, our financial leverage is temporarily higher with a gross debt adjusted Ebitda ratio of 2.1 times in the fourth quarter of 2017. Our target is to reduce this ratio to one time by the end of 2019 following the debt amortization schedule you see the bar graph on the left side.

As you see in the chart, we have a 1.5 billion debt obligation amortizing for December 2018 and considering the existing company's cash position and the cash generation we forecast for the year, we believe that we will be able to amortize this debt at the same time that we keep a payout ratio between 70 and 80% of the IFRS net income.

With that, I conclude this part of the presentation and I'd like to open to your questions, please.

### **Q&A Session**



**Operator:** Ladies and gentlemen, we will now begin the question and answer session for investors and analysts. If you have a question, please press the star key followed by the one key on your touchtone phone now. If at any time, you would like to remove yourself from the questioning queue you may press star 2.

Our first question comes from Alexandre Spada, Itaú BBA.

**Mr. Spada:** Hi gentlemen, good morning and congratulations on the results. I have 2 questions, actually. The first one is: If I recall well, your current equities pricing policy include some incremental discounts that start at a certain ADTV level. Can you remind us of this rule, and also comment on what you think could be the implications (if any) to the equities margin if the volumes sustain where they are currently, around the R\$12 billion per day?

And then I'll come back with the second question.

**Mr. Santana:** Hi Spada, this is Rogerio. Thanks for the question. Yes, you are correct, we have announced to the market a few years ago a specific pricing policy for the equities business in the Bovespa segments that sets some thresholds in terms of the discount.

So, what it means? According to this policy, if in a particular month the average daily traded value (in that particular month) is about R\$9 billion, we are going to apply a discount on the amount that exceeds this R\$9 billion. Then the second threshold would be applying the same mechanics on the threshold of R\$11 billion, and then finally in R\$13 billion.

So this is the way... it was a decision we took some years ago to show to our market, our clients, our regulators that we are willing to provide some kind of incentive that would, at the same time, reduce the trading costs for the overall market and for some clients, it could result in additional volumes.

So it was... at that time we were R\$2 billion below this threshold, and now it's becoming more recurring we see ADTV above R\$9 billion.

So applying this discount rate, we would have a marginal discount, and considering the level that we are seeing today between R\$10 and R\$11 billion, the impact in terms of average fee should not be significant, but negative. What means we expect that at this level the impact in terms of pricing would range between 1 and 3% of the average fee.

**Mr. Spada:** Okay. It's very clear.



**Mr. Santana:** Of course, if volumes keep growing, these amounts that exceed this threshold would become more relevant when you calculate the way it's priced.

**Mr. Spada:** Sure, that's very clear. Thank you Rogerio. And if you allow me another question, is it possible that the synergies from the integration with Cetip exceed the R\$100 million per year that had been estimated previously?

I'm asking you that because the 100 million was actually reached faster than you were expecting in the first place. So if that's exceeded, does that mean Bovespa will raise the discounts granted to the market, which was promised to be about one third of the synergies, or whatever you capture in excess of this 100 million will be kept fully by the company?

**Mr. Sonder:** Thank you Spada, this is Daniel here. So, we raised our targets slightly from 100 to 110 with a sort of final period for reaching the 110 million by 2021. We don't expect to see additional synergies coming from the combination, we had reasonable amount of information on the 2 companies, obviously, you know, the team at BM&FBovespa knew BM&FBovespa very well, Cetip had significant public information and we kind of knew the structure of the company, so when we announced the target for synergies this was already (I think) pretty well informed from our side.

What we did effectively was to move a little bit faster in implementing them, and I want just to congratulate all my colleagues and the team here for having taken the decision in terms of organizational structure, team sizes, as well as contract overlaps and so forth that allowed us to move faster than initially planned.

So we don't think that there are more savings coming from the combination itself. We will continue to pursue a tight expense policy as we have in the past, but we feel that the decisions that needed to be made related to the merger itself, be that in terms of team size or suppliers that were able to consolidate, those decisions were already done.

Our commitment to share synergies with our clients is a strong commitment obviously, we have discussed with them where to apply those in the best possible way through our pricing and [0:24:09 unintelligible] committee that has been functioning since the combination took place.

So the number is 110, 100 this year, another 10 by 2021 when we finished the data center combination, and that's what we have for now.

**Mr. Spada:** Okay, and if you allow me a very quick follow-up, in 2018 the approximately R\$30 million in discounts they will be fully affecting the numbers, right, throughout the full year?





**Mr. Sonder:** Yes, absolutely. They will, and you will see... I mean, the line share of that in the Cetip UTVM... the Cetip securities unit.

**Mr. Spada:** Okay.

**Mr. Santana:** It means that in the first half of 2018, when you compare to the previous year that was before we start to accrual these discounts, you are going to see a negative impact in the comps.

When we enter in the second half of the year, you are going to be in a more normal comps base because we are already accruing these discounts since July this year.

**Mr. Spada:** Okay, that's very clear. Thank you very much.

**Operator:** The next question comes from Tito Labarta, Deutsche Bank.

**Mr. Labarta:** Hi, good morning. Thanks for the call. A couple of questions as well. First on your expenses on the guidance. I understand expense you expect to be relatively flat this year since the idea is to incorporate the synergies for the Cetip, you know, after this year can you maintain that level of expenses, or how should we think about expense growth beyond this year once you've kind of captured most of the synergies related to Cetip?

And then I have another question after that.

**Mr. Sonder:** Thank you Tito. So expenses for the year we guided in the same range as last year, 1.050 to 1.100 billion, that is obviously linked to the fact that we are capturing all the synergies already in 2018, so you can infer that there would have been some natural growth in expenses in the company were not for the synergies.

That will continue to be the case going forward. I think both companies did a lot of work in terms of expense management in the previous years, particularly on the BM&FBovespa side we had a challenging business environment, Cetip was growing nicer or better than BM&FBovespa, but I think both companies did a lot of trimming of expenses, and we did that again this year what as we went through the merger and reviewed our entire budget.

I would not like to guide expense growth that is inflation or below inflation again, because I think this would be very hard to execute. To be frank, our largest expense is payroll and we repeatedly see collective bargaining agreements in Brazil with real wage gains of the 1 to 2%, and we are affected by that. In IT line, which is the second largest line in the company, it's again hard to indicate that we will grow at or below inflation because we have a natural, relatively small, but continuous growth in our IT infrastructure as systems become more sophisticated, cyber security becomes a larger portion of what we spend money on, and so forth.

Plus, we are looking to be closer to our clients, to have more market intelligence and to perhaps develop a few new ideas within the company.

So, we remain absolutely committed to containing our expenses, but the number will probably be a little bit above inflation, that's what we are working on in 2019 and beyond. Slightly above inflation I think is reasonable, maybe we can do a little bit better, but I don't expect a lot better than that.

**Mr. Labarta:** Okay, that's helpful. Daniel. Thank you. Then my second question in the Cetip segment, we noticed the quarter was impacted a bit by you mentioned the regulation regarding the leasing... debentures to leasing companies.

Also, can you give update on potential competition in the auto registration that the government had talked about, and also mortgage registration? So any regulatory impact that you are seeing on Cetip. If you could talk a little bit more about that. Thank you.

**Mr. Santana:** Hi Tito, this is Rogerio. Well, we are still following the recent developments in terms of new regulation that applies on the financing units of our business.

As you know, we offer 2 different services in this segment, we manage the national database for liens registration (that we call SNG) and we support the banks in services in terms of transmitting the lower information to the local DMVs, and as a consequence the local DMV can issue the documents of the vehicles with the precise restriction on the name of the banks.

So both services have been impacted by recent regulatory changes. The first one is the creation of Renagrav, that is going to be a national estate-owned database, has been discussed under a working group composed by representatives of the government, of the regulatory agencies and also from the private sector, it is not clear at this point what is going to be the final impact and how exactly this new database is going to work and if (it depends on how it's going to be implemented) it would or not hurt the SNG business.

It's not clear at this point if this regulation is going to be implemented in September 2018 and the way it's going to be implemented, and how it is going to be implemented is being discussed within these working groups. So there is no... we do not have visibility yet on what could be and (if it exists) what could be the impact in SNG.

Regarding the second service, that is the transmission of data about loans to the local DMVs in Brazil, we are facing also some regulatory changes that are consequences of this new federal regulation. The way it was implemented in Minas



Gerais impeded us to keep offering our services since September last year. In the case of São Paulo, where you also have this regulatory change, we are still discussing with the local DMV, with the banks and with new potential players that will be involved on that what is going to be the new business model that will work in São Paulo.

So these discussions and negotiations are not concluded at this point, so as a consequence we also do not have visibility on how it could impact our business. We are working on that, we are focusing on that, we believe that we are pretty aligned with the banks, we know the importance of these services for the credit business in Brazil and we believe that in the coming weeks or maybe months we will have a solution for that.

**Mr. Labarta:** Okay, thanks Rogerio. So I guess it's difficult to quantify given just the lack of visibility that you mentioned, but in different terms of the securities segments for Cetip, is it safe to assume that the growth should be below what has been in the past given all this uncertainty? Is that kind of how we should think about it?

**Mr. Santana:** Well, just one additional comment and then I'll check if I understand correctly your question, but just one last comment to give more precise information for the audience in this call. The financing unit that is suffering with this regulatory change represents roughly 9% of our business, the SNG represents roughly 3.5 of total revenues and the contract represents roughly 4.5%.

So this is the portion of our topline that could potentially be affected by this regulatory change.

So I don't know if I understood correctly, Tito, I think you mentioned the securities units, but I believe you were mentioning... you were referring to the financing units, correct?

**Mr. Labarta:** I guess they are both at risk from regulation to maybe expose some [0:34:06 inaudible] ...?

**Mr. Santana:** Well, there is no... we don't have similar discussions for the securities units. What we saw in the securities units was a regulation that applies on the banks that oblige them to replace one specific funding instrument that they were using that was the leasing debentures, they were obliged to replace that for CDs, and it's a gradual process that started in 2017 and it should go through 2018 and maybe be concluded in 2019.

So I think there is no discussions on regulations on our business. What happened was the regulation that applies on an important group of clients obliged them to change their behavior.



**Mr. Sonder:** And that was not a surprise, this was a regulation that the Central Bank discussed with us and the banks over quite some time and finally implemented it and gradually sort of there is a migration from one type of funding to another type of funding, which has different pricing for us.

So the regulatory framework within the securities units is Central Bank-led and one that is much more transparent and well-known to us with less surprises. The regulation of the financing unit is led by that transit departments and unfortunately there is less visibility on changes that may come from that end.

**Mr. Santana:** And fragmentation of regulation as well.

**Mr. Sonder:** Correct.

**Mr. Labarta:** That's helpful, thank you.

**Operator:** The next question comes from Carlos Macedo, Goldman Sachs.

**Mr. Macedo:** Hi Daniel and Rogerio, thank you for taking questions. First, the question that I have is more related to the revenue side really. Obviously, a lot of volatility in global markets, in the US we're seeing that a lot. How does B3 now with the complete package benefit from volatility in capital market? Is it something you expect to see benefits volumes in equities and derivatives? Does it affect the financing business or more importantly the securities business?

And also, if you can give an update on the products that hopefully you have in your pipeline that might be able to take advantage of that. I'm wondering that this year there is an election in Brazil and that typically brings a lot of volatility to the market. Thanks.

**Mr. Sonder:** Thank you. So we are obviously very exposed long-term to investor appetite and sentiment regarding the Brazilian economy, emerging market economies and the global investment climate more generally, Carlos. So obviously we are going through a very benign period right now with synchronized growth and a lot of money available for investment around the globe, and we (I think) have benefited from that, and to the extent that Brazil continues to stay on the right course in terms of economic growth and possibly further fiscal adjustments during 2018 and through elections, I believe that our main businesses will benefit enormously from that.

If we see realignment of investors' strategies or a shift in investors' strategies away from risk, that is negative to all of our asset classes in the long-term, or business classes in the long-term.



In the short term, derivatives would benefit from that as investors seek protection, typically in FX text products, that's what we saw in 2014 and then again in 2015 and 16 when there was considerable uncertainty about the Brazilian political scenario, and people used derivatives as a way to acquire hedge and protection from that.

We do not have any specific volatility-related products at this point in the immediate pipeline, so we don't get to say an additional boost from people using those products in a larger amount, but again FX derivatives is the way that we typically see people seeking protection.

So what has happened over a long cycle (and we look at this trend) is that Bovespa shares, you know, equity business and especially the US dollar-linked portion of the BMF business derivatives, you know, tend to net one another. The OTC derivatives business, and particularly the FX contracts also are helped when the scenario becomes more difficult, and in fact what you saw over the last few years is that because there was a pretty good scenario and stable FX rates in Brazil, the volume of FX derivatives and OTC went down because corporates were less concerned about doing those transactions with their banks and that hurt that line a little bit within the Cetip securities units.

So I hope that answers your question. I think that we are pretty well positioned in any kind of scenario. Volatility is usually good in the short term, but it all depends where it ends up. If it ends up in a bad scenario for Brazilian market, then we win in the short term, but lose in the long term. If after volatility we end up in a more positive scenario, than it's great twice; short-term and long-term.

**Mr. Macedo:** Okay great, just a follow-up here. Can you give us a general update in product pipeline? Just trying to get an idea of how we can also leverage your... in addition to expenses to drive Ebitda growth. Maybe you can drive new products and expand revenues as well.

**Mr. Santana:** Hi Macedo, this is Rogerio. What we have in our pipeline today are some specific projects or products related mainly to the listed market. So we keep working to try to attract more market makers, we keep working to try to receive the authorization for foreign investors to lend shares in Brazil, you know that most of them faces some regulatory restrictions to lend shares in Brazil and it could be very significant for the hedge fund industry implement their strategies here.

Fixed income ETF is also something that in terms of regulation and infrastructure is everything set. We are still waiting for market players to take their step and start to design and launch this product, it could be relevant for us as well.

We are discussing as we mentioned in our Investors Day last year also volatility-related project, having a kind of Vix, Brazilian Vix version. We are discussing with our providers to develop that, this is pretty much what we have worked now.



But, as Daniel mentioned, we are redesigning (I would say) our clients and product development departments to try to be closer to our client and be more agile in terms of product development and try to take advantage of this significant change that we are seeing in the Brazilian market with lower rates, with potential diversification of investors' portfolio, and we are sure that we are going to play a very important role in this area and try to put in place the products that the market is demanding.

**Mr. Macedo:** Okay, great. Thank you.

**Operator:** Ladies and gentlemen, as a reminder, if you would like to pose a question, please press the star key followed by the one key on your touchtone phone now.

This concludes today's question-and-answer session. I would like to invite Mr. Daniel Sonder to proceed with his closing statements.

**Mr. Sonder:** I just wanted to thank everyone again for joining the call, for following our company and for your continuous engagement with us. Please, feel free to reach out to our investor relations team any time you have additional questions, and have a good day.

**Operator:** That does conclude the B3 audio conference for today. Thank you very much for your participation, have a good afternoon and thank you for using Chorus Call Brasil.