



QUARTERLY FINANCIAL STATEMENTS

1st Quarter of 2018

Dear Shareholders,

B3 S.A. – Brasil, Bolsa, Balcão (“B3” or “Company”) hereby submits for your consideration the Management’s Discussion & Analysis regarding the activities performed in the first quarter of 2018 (1Q18).

OPERATIONAL PERFORMANCE

Financial and Commodities Derivatives (BM&F segment)¹

The average daily volume of the BM&F segment reached 3.6 million contracts in 1Q18, up by 36.7% when compared to 1Q17. All product groups recorded growth, with highlights to the Interest rate in BRL contracts, which increased by 28.3% in the period, accounting for 58.3% of the overall trade in the segment. The increase in this group was more concentrated on contracts with longer maturity. Besides that, it is worthy of note the increase in the volume of Stock indices contracts, which reached an average daily volume of 566.1 thousand contracts, up by 125.5% when compared to 1Q17, due to the performance of individual investors and High Frequency Traders (“HFTs”). Among the products being developed, highlight goes to Inflation-linked contracts (DAP), which recorded an average trading volume of 15.4 thousand contracts in 1Q18, up by 175% when compared to the same period of the previous year.

Average Daily Volume - ADV (Thousand contracts)

Contracts	1Q18	1Q17	1Q18/1Q17 (%)	4Q17	1Q18/4Q17 (%)
Interest rates in BRL	2,108.7	1,644.1	28.3%	1,856.5	13.6%
FX rates	640.1	490.5	30.5%	605.0	5.8%
Stock indices	566.1	251.1	125.5%	471.9	19.9%
Interest rates in USD	290.0	249.9	16.1%	262.4	10.5%
Commodities	10.8	8.5	27.6%	8.7	24.0%
TOTAL	3,615.7	2,644.1	36.7%	3,204.6	12.8%

The increase in volumes was partially offset by a 4.7% fall in average revenue per contract (“RPC”) when compared to 1Q17. This drop is due to (i) a change in the mix, with an increased share of options and increased share of Stock indices contracts, whose RPC is lower than the average; and (ii) the increase in the share of HFTs and day trade operations, which are eligible to discounts.

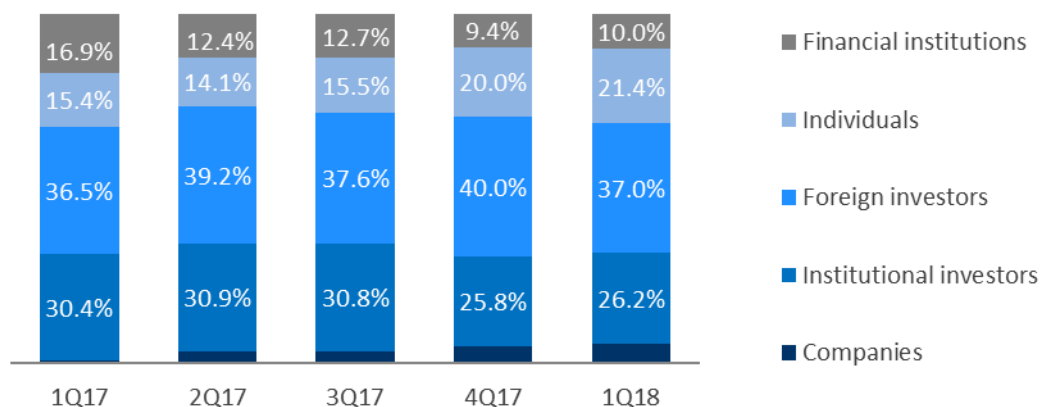
Average Revenue per Contract (R\$)

Contracts	1Q18	1Q17	1Q18/1Q17 (%)	4Q17	1Q18/4Q17 (%)
Interest rates in BRL	1.035	1.026	0.8%	1.078	-4.0%
FX rates	2.970	3.138	-5.4%	2.924	1.6%
Stock indices	0.849	0.992	-14.4%	0.986	-13.9%
Interest rates in USD	1.505	1.441	4.4%	1.446	4.1%
Commodities	1.710	1.947	-12.2%	2.249	-24.0%
OVERALL AVERAGE	1.388	1.457	-4.7%	1.446	-4.0%

Regarding participation of investors, foreign investors were the most representative in this segment, with a 37.0% share. It is fair to notice the growth of individual investors, whose participation increased from 15.4% in 1Q17 to 21.4% in 1Q18. This increase occurred especially in the Mini contracts, as mentioned above.

¹ The volume of Mini contracts is weighted in the respective standard contracts, impacting both the volumes and the RPC of these groups of contracts.

Evolution of ADV by Investor Category (%)



Equities and Equity Derivatives (Bovespa segment)

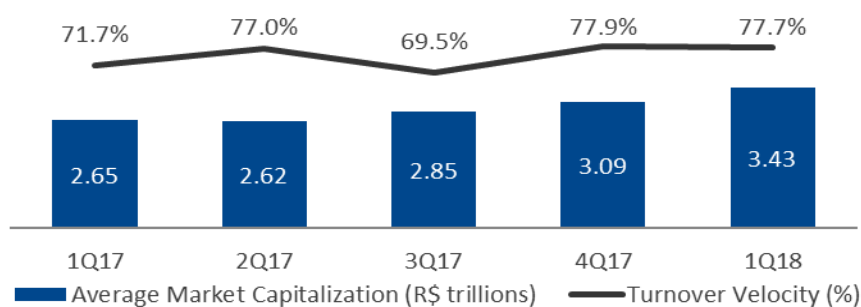
The average daily trading value of the Bovespa segment was R\$11.3 billion in 1Q18. In February, daily average was R\$13.1 billion, the highest for a month in the Company's history. When compared to 1Q17, the increase was 40.6%, reflecting stocks' market prices appreciation and the increase in turnover velocity.

Average Daily Traded Value (R\$ million)

Market	1Q18	1Q17	1Q18/1Q17 (%)	4Q17	1Q18/4Q17 (%)
Stocks and equity derivatives	11,300.2	8,040.6	40.5%	10,088.5	12.0%
Cash market	10,895.2	7,735.7	40.8%	9,776.4	11.4%
Derivatives	404.9	304.8	32.8%	312.1	29.7%
Options market (stocks / indices)	277.2	223.9	23.8%	191.8	44.6%
Forward market	127.7	80.9	57.8%	120.3	6.1%
Fixed income and other cash-market	5.2	1.6	231.0%	3.3	61.1%
TOTAL	11,305.4	8,042.1	40.6%	10,091.7	12.0%

The average market capitalization² increased for the third consecutive quarter, reaching a daily average of R\$3.43 trillion in 1Q18, up by 29.4% against the same quarter in the previous year. The turnover velocity³ also recorded strong growth, increased by 77.7% in 1Q18 against 71.7% in 1Q17.

Average Market Capitalization (R\$ trillion) and Turnover Velocity (%)



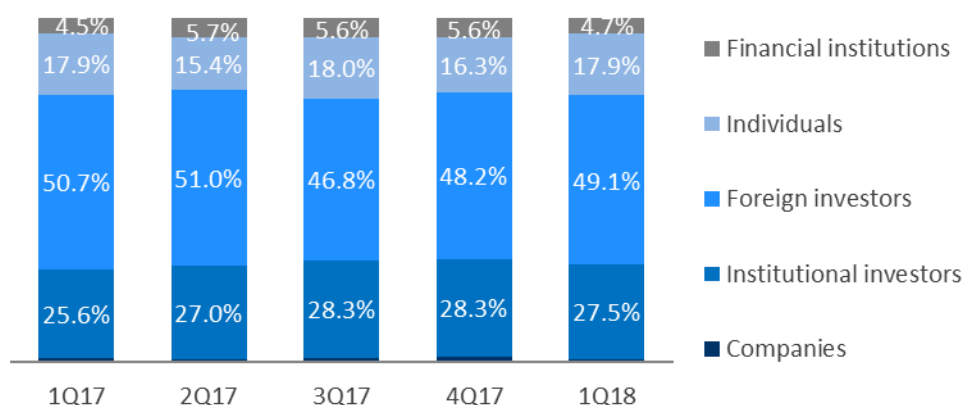
Trading and post-trading margins reached 5.152 bps in 1Q18 against 5.342 bps in 1Q17. This drop was due to (i) the lower participation of derivatives, which pay higher rates; and (ii) the increased share of volumes related to the maturity of indices, which are not charged. Additionally, in all months of the quarter, the average daily trading value was above R\$9 billion, which leads to marginal discounts to the market as a whole.

Regarding the participation in the value traded by investors group, foreign investors continued to be the most representative in the segment, despite a reduction from 50.7% in participation in 1Q17, to 49.1% in 1Q18. In turn, the participation of local institutional investors in the value traded increased from 25.6% in 1Q17 to 27.5% in 1Q18.

² Market capitalization is the product of multiplying the number of shares issued by listed companies by their respective market prices.

³ Turnover velocity is the result of dividing the volume traded in the cash market during the period, annualized, by the average market capitalization for the same period.

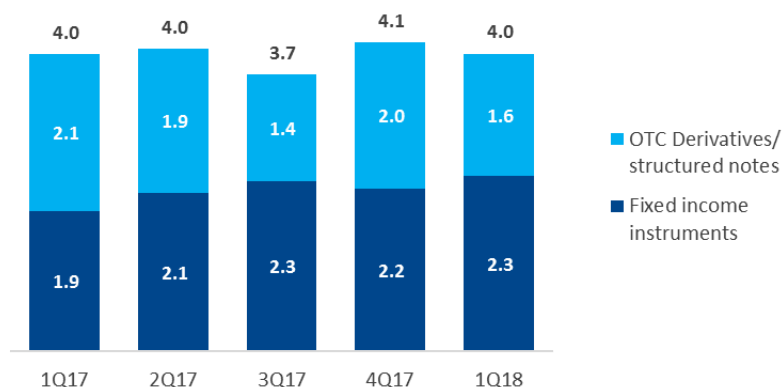
Evolution of ADTV by Group of Investors (R\$ billion)



Securities (Cetip UTVM segment)

The value of new registrations in 1Q18 was R\$4.0 trillion, remaining stable against 1Q17. The value of registration of fixed income instruments increased by 24.7% against 1Q17, mainly due to bank deposit certificates ("CDBs"), which had an increase of 66.3% in the period. The value of new registrations of OTC derivatives and structured transactions, in turn, was down by 22.0% against 1Q17, due to the drop in the value registered of swap contracts.

Average Registration Volume by Instruments (R\$ trillion)



The average price of fixed income instruments decreased by 10.0% against 1Q17, impacted by the change in the mix of products and the migration of customers to lower price ranges, in accordance with the progressive table of discounts by volume. On the other hand, the average price charged for the registration of OTC derivatives and structured transactions increased by 39.7% against 1Q17, due to a lower number of swap contracts, whose prices reached their price cap.

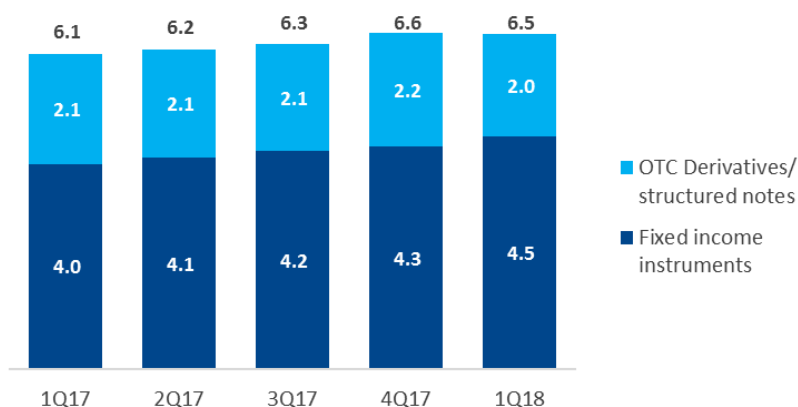
Average Registration Prices (bases points - bps)

	1Q18	1Q17	1Q18/1Q17 (%)	4Q17	1Q18/4Q17 (%)
Average price fixed income	0.066	0.073	-10.0%	0.070	-5.6%
Average price OTC derivatives/structured notes (COE)	0.057	0.041	39.7%	0.045	27.1%

The stock of registered assets, on which maintenance fees⁴ are applied, reached R\$6.5 trillion, up by 6.4% when compared to 1Q17. Regarding the assets included in the stock and subject to maintenance fees, fixed income instruments increased by 13.3% against 1Q17, while OTC derivatives and structured transactions decreased by 6.4%. It should be noted that the growth in the stock of fixed income instruments reflects both the increase in CDBs issuance during the quarter, and the migration of this product to the new pricing model implemented in Mar'15, which reduced the previously charged registration and transaction fees, and established a maintenance fee for this instrument. This shift of fees is gradual, and the maintenance fee is applicable only to issues carried out after this change. On the other hand, the higher relative participation of CDBs caused a reducing effect on the average price charged for this service as this price is lower than the average price of other fixed income instruments.

⁴ Maintenance fees are charged monthly on the assets stock and open contracts in the Contract System.

Average Maintenance Volume by Instrument (R\$ trillion)



Average Maintenance Fee (bases points - bps)

	1Q18	1Q17	1Q18/1Q17 (%)	4Q17	1Q18/4Q17 (%)
Average price fixed income	0.071	0.079	-9.6%	0.073	-2.3%
Average price OTC derivatives/structured notes (COE)	0.039	0.036	7.9%	0.035	12.8%
End users (R\$)	0.322	0.410	-21.4%	0.339	-5.0%

The average number of clients that pay monthly utilization fees decreased by 0.5% against 1Q17. On the other hand, the average price charged increased by 23.0% against 1Q17, mainly reflecting the new price table in effect as from Jan'18.

The number of transactions dropped by 10.7% against 1Q17, mainly due to the increase in the use of CDBs as a funding instrument by banks, since only CDB investments above R\$5.0 thousand need to be registered in B3. The 19.0% reduction in the average price against 1Q17 was mainly influenced by discounts based on volumes.

Finally, the number of TEDs (electronic cash transfers) processed during 1Q18 increased by 26.9% against 1Q17. The average price, in turn, decreased by 7.0% due to higher volumes, since discounts are applied in accordance with volume ranges.

	1Q18	1Q17	1Q18/1Q17 (%)	4Q17	1Q18/4Q17 (%)
Monthly Utilization					
Average number of clients	12,339	12,273	0.5%	12,688	-2.8%
Average price (R\$)	2,026	1,647	23.0%	1,610	25.8%
Transactions					
Total number of transactions	90,312	101,078	-10.7%	72,469	24.6%
Average price (R\$)	0.31	0.38	-19.0%	0.39	-20.9%
Interbank Payment Chamber (CIP)					
Processed electronic cash transfers (EFT)	145,058	114,322	26.9%	153,816	-5.7%
Average price (R\$)	0.09	0.10	-7.0%	0.08	11.8%

Liens and Loans (Cetip Liens and Loans segment)

The volume of liens registered in the *Sistema Nacional de Gravames* ("SNG") was positively impacted by the 8.5% increase in the number of vehicles financed in 1Q18 when compared to 1Q17. This increase is explained by the combination of a 2.9% increase in the total number of vehicles sold, with increased credit penetration, which went from 30.7% of total vehicles sold in 1Q17 to 32.4% in 1Q18.

As for the Contracts System, the number of contracts registered dropped by 2.7% against 1Q17, due to the decrease in B3's market share, which went from 74.4% in 1Q17 to 66.7% in 1Q18, reflecting the interruption of this service in the state of Minas Gerais as of Sep'17.

	1Q18	1Q17	1Q18/1Q17 (%)	4Q17	1Q18/4Q17 (%)
SNG					
Number of vehicles sold (millions)	4,052	3,938	2.9%	4,532	-10.6%
<i>New</i>	798	712	12.1%	861	-7.3%
<i>Used</i>	3,254	3,226	0.9%	3,672	-11.4%
Number of vehicles financed (millions)	1,312	1,209	8.5%	1,370	-4.3%
<i>New</i>	469	410	14.5%	486	-3.5%
<i>Used</i>	843	799	5.5%	884	-4.6%
% Vehicles financed / vehicles sold	32.4%	30.7%	170 bps	30.2%	210 bps
Contracts Systems					
Contracts added (millions)	875	900	-2.7%	893	-2.0%
% Contracts added / vehicles financed	66.7%	74.4%	-770 bps	65.2%	150 bps

ECONOMIC AND FINANCIAL PERFORMANCE

After the conclusion of the business combination between BM&FBOVESPA and Cetip on March 29, 2017, the consolidated performance of the audited Quarterly Information for 1Q17 included only two days of Cetip's performance. Aiming to preserve the comparability of the Company's performance, we hereby present the combined managerial results for said period.

Revenues

<i>(In thousand of Brazilian Reals, unless otherwise indicated)</i>	1Q18	1Q17		1Q18/1Q17 (%)	
	IFRS Accounting	IFRS Accounting	Managerial Accounting	IFRS Accounting	Managerial Accounting
Total revenues	1,234,565	676,502	1,043,494	82.5%	18.3%
BM&F segment	309,202	250,551	250,551	23.4%	23.4%
Derivatives	304,613	245,522	245,522	24.1%	24.1%
Foreign exchange	4,589	5,029	5,029	-8.7%	-8.7%
Bovespa segment	354,305	272,393	272,393	30.1%	30.1%
Trading fees	55,769	44,066	44,066	26.6%	26.6%
Clearing fees	293,713	222,310	222,310	32.1%	32.1%
Others	4,823	6,017	6,017	-19.8%	-19.8%
Cetip securities segment	288,908	8,328	274,949	-	5.1%
Registration fees	29,624	803	25,164	-	17.7%
Maintenance/custody	126,092	3,624	124,734	-	1.1%
Monthly utilization	74,976	1,442	60,551	-	23.8%
Transaction fees	27,752	1,567	38,352	-	-27.6%
Other revenue from services	30,464	892	26,148	-	16.5%
Cetip liens and loans segment	120,298	3,327	103,658	-	16.1%
SNG	42,624	1,205	38,420	-	10.9%
Contracts systems (Sircof)	60,198	1,583	48,118	-	25.1%
Market data	17,134	527	16,712	-	2.5%
Other Revenues	342	12	408	-	-16.2%
Other revenues	161,852	141,903	141,943	14.1%	14.0%
Securities lending	27,585	26,991	26,991	2.2%	2.2%
Listing	15,261	14,478	14,478	5.4%	5.4%
Depository, custody and back-office	60,996	50,855	50,855	19.9%	19.9%
Trading access (Brokers)	11,595	8,330	8,330	39.2%	39.2%
Vendors	27,697	25,918	25,918	6.9%	6.9%
BM&FBOVESPA bank	7,632	10,233	10,254	-25.4%	-25.6%
Others	11,086	5,098	5,117	117.5%	116.7%
Revenue deductions	(122,643)	(68,169)	(102,587)	79.9%	19.6%
PIS and Cofins	(102,280)	(58,189)	(85,907)	75.8%	19.1%
Service tax	(20,363)	(9,980)	(16,680)	104.0%	22.1%
Net revenues	1,111,922	608,333	940,907	82.8%	18.2%

Total revenues: reached R\$1,234.6 million in 1Q18, up by 18.3% against 1Q17, reflecting the revenue growth in all its business segments, as described below.

BM&F segment: reached R\$309.2 million (25.0% of total), up by 23.4% compared to 1Q17, as a result of the increase in the volume of contracts traded in the period. It is worth noting that, from February 2017 to March 2018, the Company set up a cash flow hedge⁵ in order to hedge the impacts from foreign exchange variation on a portion of USD-denominated revenues of this

⁵ The average RPC for USD FX rates and Interest rates contracts in 1Q17 considers the average PTAX closing rate at the end of the months of Dec'16, Jan'17, and Feb'17 (R\$3.16), while the average RPC for 1Q18 considers the average PTAX closing rate at the end of the months of Dec'17, Jan'18, and Feb'18 (R\$3.24). From Jan'17 to Jan'18, the Company designated monthly payments of the loan in foreign currency contracted in Dec'16 to set up the cash flow hedge. For Feb'18 and Mar'18, the Company used non-deliverable forwards (NDFs) to hedge this structure as from Oct'17 (see note 4). Accordingly, with the adoption of the cash flow hedge, from Jan'17 to Jan'18, revenues were recognized based on the exchange rate of R\$3.37, and of R\$3.28 for Feb'18 and Mar'18. The Company interrupted the use of revenues hedge in USD in Mar'18.

segment (FX rates and Interest rates contracts in USD). If we exclude the effect of this cash flow hedge, revenues from this segment would have increased by 22.6% when compared to 1Q17.

Bovespa segment: reached R\$354.3 million (28.7% of total), up by 30.1% when compared to 1Q17. Revenues from volumes traded (trading and post-trading) amounted to R\$349.5 million, up by 31.2% over the same period of the previous year, reflecting a growth of 40.6% in the average daily traded volume, which was partially offset by a 3.6% decrease in trading/post-trading margins.

Cetip securities segment: reached R\$288.9 million in 1Q18 (23.4% of total), up by 5.1% against 1Q17. This performance is mainly explained by the 23.8% growth in monthly utilization revenues, which were largely impacted by the adjustment in prices charged for this service as from Jan'18, and the 17.7% increase in registrations, boosted by the increase in the issuance of bank funding instruments, in particular, CDBs. Additionally, it is worth note that the 1Q18 revenue in this segment reflects the full impact of the sharing of expense synergies from the business combination with Cetip, which was translated in price discounts amounting to R\$7.8 million and applied on different revenue lines of this segment.

Cetip liens and loans segment: reached R\$120.3 million in 1Q18 (9.7% of total), up by 16.1% against 1Q17. The 10.9% growth in SNG revenues mainly reflects the increase of 8.5% in the number of vehicles financed. The increase of 25.1% in Contract System revenues is related to the adoption of a new business model for this service in the state of São Paulo.

Under the new model adopted in the state of São Paulo, B3 transmits, on behalf of its clients (financial institutions), detailed information about loans to an accredited registering company (Registering Company), which, in turn, registers the contracts with the local traffic department (Department of Motor Vehicles, DMV). In the previous model, B3 transmitted the information directly to the DMV, which executed the registration of the loan. Under this new model, B3 now bundles in the price charged by B3 from financial institutions both the fees related to its own services and the fees related to services provided by the Registering Company. This had a positive impact on the revenues reported under the Contracts System. On the other hand, the amount related to the services rendered by the Registering Company is booked as an expense by B3 (third-party services), and thus while revenues went up, so did expenses. These changes are fully reflected on the 1Q18 results.

B3 worked with its clients and other partners to adjust several aspects of the economics of this business, and yet there was a negative impact for B3. In summary, under this new model, the Company will earn from each contract transmitted R\$26.34⁶, after paying the cost of the services provided by the Registering Company, the sharing of revenues with other partners and taxes on revenue (in the previous model, B3 used to earn R\$37.50⁶ per contract transmitted). Additionally, B3 has worked on initiatives to offset most of the negative impact from this new business model (rollout of these initiatives expected for the coming quarters).

If other states migrate to the same model adopted in São Paulo over the next quarter, B3's revenues and expenses will be impacted again⁷.

Other revenues: other revenues reached R\$161.9 million (13.1% of total) in 1Q18, up by 14.0% when compared to the same period of the previous year. Key highlights were as follows:

- **Depository, custody and back-office:** reached R\$61.0 million (4.9% of total), up by 19.9% against 1Q17, mainly as a result of the 33.0% increase in revenues from *Tesouro Direto*, which totaled R\$27.2 million in 1Q18.
- **Access of market participants:** totaled R\$11.6 million (0.9% of total), up by 39.2% against the same period of the previous year, mainly because of the effectiveness of the new pricing policy as from the second half of 2017.
- **Others:** reached R\$11.1 million (0.9% of total), up by 116.7% against the previous year, mainly due to the reversal of expenses of R\$4.3 million related to the adhesion in Aug'17 to the Special Tax Regularization Program (PERT), as the discount offered was higher than initially expected.

Net revenues: net revenues increased by 18.2% against 1Q17, reaching R\$1,111.9 million in 1Q18.

Expenses

Expenses reached R\$602.8 million in 1Q18, down by 20.1% when compared to the same period of the previous year. Excluding amortization of intangible assets of R\$187.2 million recognized in the business combination with Cetip, total expenses would have been R\$415.6 million, a 44.9% decrease when compared to 1Q17, mainly explained by the recognition, in 1Q17, of non-recurring expenses (R\$268.2 million relating to the business combination with Cetip, and R\$134.3 million in provisions, without cash impact).

⁶ Gain per loan before other operating expenses and income tax.

⁷ In the 12-month period between Apr'17 and Mar'18, the state of São Paulo represented 44% of the total number of contracts transmitted by B3 and 30% of the total number of vehicles financed in the country (B3 does not offer the contract transmission service in some states of Brazil).

<i>(In thousand of Brazilian Reals, unless otherwise indicated)</i>	1Q18	1Q17		1Q18/1Q17 (%)	
	IFRS Accounting	IFRS Accounting	Managerial Accounting	IFRS Accounting	Managerial Accounting
Expenses	(602,821)	(270,457)	(754,518)	122.9%	-20.1%
Personnel	(180,265)	(115,281)	(179,449)	56.4%	0.5%
Data processing	(45,146)	(37,162)	(43,638)	21.5%	3.5%
Deprec. and amortization	(236,049)	(26,399)	(52,976)	794.2%	345.6%
Third-party services	(46,710)	(7,680)	(26,367)	508.2%	77.2%
Maintenance	(5,615)	(3,858)	(5,053)	45.5%	11.1%
Communication	(1,759)	(1,262)	(2,538)	39.4%	-30.7%
Marketing	(4,085)	(3,102)	(5,155)	31.7%	-20.8%
Taxes	(1,968)	(1,728)	(2,769)	13.9%	-28.9%
Board/comittees compensation	(3,641)	(2,710)	(4,248)	34.4%	-14.3%
Related to the combination with Cetip	(15,057)	(45,432)	(268,217)	-66.9%	-94.4%
Others	(62,526)	(25,843)	(164,107)	141.9%	-61.9%

- **Personnel and payroll-related charges:** totaled R\$180.3 million in 1Q18, remaining stable (+0.5%) against 1Q17. The effects of the adjustment of approximately 3.0% under the annual collective bargaining agreement to Company's salary base as from Aug'17, and lower capitalization of personnel in projects, mainly due to the completion of B3 Clearings integration project, were almost fully offset by the synergies generated in the business combination.
- **Depreciation and Amortization:** totaled R\$236.0 million in 1Q18, impacted by the amortization of intangible assets recognized from the business combination with Cetip in the amount of R\$187.2 million.
- **Third-party services:** totaled R\$46.7 million in 1Q18, up by 77.2% against 1Q17, due to the increase in revenue-linked expenses, which amounted to R\$42.4 million. It should be noted that, as explained above, due to the implementation of the new business model of the Contracts System in the State of São Paulo, B3 started to recognize as an expense the value of the services provided by the Registering Company.
- **Related to the combination with Cetip:** amounted to R\$15.1 million in 1Q18, mainly comprising extraordinary expenses with personnel, and expenses related to advisors and consultants.
- **Other expenses:** amounted to R\$62.5 million in 1Q18. Within this expense group, provisions are the most relevant item and are mainly composed by (i) adjustment of provisions for legal disputes, for which a portion of the amount under discussion is updated according to the market price of our stock B3SA3⁸ (approximately R\$30.0 million in 1Q18) and (ii) provisions for success fees (approximately R\$8.0 million). Additionally, in 1Q17 non-recurring provisions in the amount of R\$134.3 million, mainly due to the harmonization of the method for classification of chances of loss (remote, possible and probable) in certain legal disputes of Cetip.

Financial Result

<i>(In thousand of Brazilian Reals, unless otherwise indicated)</i>	1Q18	1Q17		1Q18/1Q17 (%)	
	IFRS Accounting	IFRS Accounting	Managerial Accounting	IFRS Accounting	Managerial Accounting
Financial result	(22,499)	158,130	198,826	-114.2%	-111.3%
Financial income	119,248	400,365	476,564	-70.2%	-75.0%
Financial expenses	(141,747)	(242,235)	(277,738)	-41.5%	-49.0%

Financial result was negative by R\$22.5 million in 1Q18. Financial income amounted to R\$119.2 million, down by 75.0% against 1Q17, mainly explained by the reduction in average cash balance (in Apr'17, R\$8.4 billion were paid to former shareholders of Cetip in the business combination context) and lower interest rates. Financial expenses, in turn, amounted to R\$141.7 million, down by 49.0% against 1Q17, mainly explained by the positive effect of: (i) lower indebtedness (particularly, the maturity of a R\$500 million debenture in Sep'17); and (ii) lower interest rates charged on the Company's debt.

⁸ The number of shares equivalent to the amount under discussion is 5,186,739 B3SA3 stocks. B3SA3's closing price was R\$26.69 in the end March 2018, against R\$22.78 in the end of December 2017, up by 17.2%.

Income tax and social contribution

<i>(In thousand of Brazilian Reals, unless otherwise indicated)</i>	1Q18	1Q17		1Q18/1Q17 (%)	
	IFRS Accounting	IFRS Accounting	Managerial Accounting	IFRS Accounting	Managerial Accounting
Income tax and social contribution	(172,871)	(149,838)	(110,738)	15.4%	56.1%
Current	(24,574)	(43,496)	(87,051)	-43.5%	-71.8%
Deferred	(148,297)	(106,342)	(23,687)	39.5%	526.1%

Income tax and social contribution totaled R\$172.9 million in 1Q18. Current tax totaled R\$24.6 million, including R\$3.0 million in taxes with cash impact. Deferred income tax and social contribution in the amount of R\$148.3 million, with no cash impact, include temporary differences from the tax amortization of goodwill, which totaled R\$119.6 million in 1Q18, and by recognition of deferred tax in the amount of R\$28.7 million, mainly due to the recording of tax credits.

Net Income

<i>(In thousand of Brazilian Reals, unless otherwise indicated)</i>	1Q18	1Q17		1Q18/1Q17 (%)	
	IFRS Accounting	IFRS Accounting	Managerial Accounting	IFRS Accounting	Managerial Accounting
Net income	314,736	280,671	209,145	12.1%	50.5%
<i>Net margin</i>	<i>28.3%</i>	<i>46.1%</i>	<i>22.2%</i>	<i>-1,783 bps</i>	<i>608 bps</i>
Attributable to:					
B3's shareholders	314,723	280,552	209,026	12.2%	50.6%
<i>Net margin</i>	<i>28.3%</i>	<i>46.1%</i>	<i>22.2%</i>	<i>-1,781 bps</i>	<i>609 bps</i>
Minority interest	13	119	119	-89.1%	-89.1%

Net income attributable to B3's shareholders reached R\$314.7 million, up by 50.6% against 1Q17, reflecting the increase in revenues, reduction in non-recurring expenses, and impact of expenses synergies.

Reconciliation of Net Income

<i>(In thousand of Brazilian Reals, unless otherwise indicated)</i>	1Q18	1Q17	1Q18/1Q17 (%)
	IFRS Accounting	Managerial Accounting	
Net income (attributable to shareholders)	314,723	209,026	50.6%
Expenses related to the combination with Cetip	9,938	177,796	-94.4%
Non-recurring provisions	-	88,607	-100.0%
Impairment*	-	43,235	-100.0%
Intangible amortization (combination with Cetip)	123,554	-	-
Intangible amortization (combination with GRV)	-	8,567	-
Recurring net income	448,215	527,232	-15.0%
Deferred Tax (goodwill from Bovespa combination)	-	133,054	-100.0%
Deferred Tax (goodwill from Cetip combination)	119,629	-	-
Recurring net income adjusted by goodwill tax benefit	567,844	660,286	-14.0%

Note: net of taxes, calculated on a 34% rate, applied to the deductible portion.

*Refers to the impairment of the iBalcão platform of the former BM&FBOVESPA, held in the context of the business combination with Cetip.

Excluding the non-recurring items mentioned above, net income would have reached R\$448.2⁹ million in 1Q18, down by 15.0%, mainly impacted by the reduction in the Company's financial result. In addition, if adjusted for tax benefits resulting from the amortization of goodwill related to the mergers of Bovespa Holding and Cetip, net income would have totaled R\$567.8 million.

⁹ B3's goal in introducing the recurring net income metric is to simplify comparison between periods and, consequently, evaluate the Company's performance, highlighting non-recurring items that are not necessarily related to the normal course of its business.

MAIN ITEMS OF THE CONSOLIDATED BALANCE SHEET AS OF MARCH 29, 2018

Assets, Liabilities and Shareholders' Equity Accounts

The Company's assets amounted to R\$37.0 billion in 1Q18, down by 1.6% against Dec'17. The main changes in assets were as follows: (i) availability, whose balance decreased by 64.5%, from R\$711 million to R\$252 million, due to the payment of interest on capital in Jan'18 in the amount of R\$533 million; and (ii) taxes recoverable and prepaid, in the amount of R\$488 million in 1Q18, which decreased by 16.0% against Dec'17 due to the use of tax credits in the quarter.

Regarding liabilities, the main variations were in collateral received in transactions, which decreased by 24.1% (recorded against financial investments in assets), and dividends and interest on capital payable, as mentioned above.

In the end of Mar'18, shareholders' equity totaled R\$24.6 billion, up by 1.4% against Dec'17, mainly consisting of R\$18.4 billion in capital reserves, and capital of R\$3.2 billion.

OTHER FINANCIAL INFORMATION

Investments

In 1Q18, investments amounted to R\$40.9 million, of which R\$33.8 million was invested in the IT infrastructure, particularly in technological upgrades of PUMA.

Distribution of earnings

On April 13, 2018, the Board of Directors approved the payment of interest on capital amounting to R\$200.0 million, paid on May 8, 2018, to shareholders registered as of April 23, 2018.

Guidance for the 2018 expenses¹⁰

B3 changed the Guidance for 2018 adjusted expenses¹¹ and also started to disclose the range for revenue-linked expenses, in face of the new business model in the Contracts System, which came into effect in the state of São Paulo, as mentioned above. Additionally, B3 reaffirms the budgets for 2018 for depreciation and amortization¹² expenses and expenses related to the combination with Cetip. For further details, see below the new range, as well as the actual values of 2017.

<i>(Million R\$)</i>	2017 (Performed)	2018 (Budget)	Observations
Adjusted expenses	971.6	960 - 1,000	Expenses exposed, mostly, to inflation readjustments (wages and contracts)
Depreciation & amortization	742.1	910 - 980	In 2017, the intangible assets recognized in the business combination with Cetip started to be amortized as from Apr'17 (9 months), while for 2018 the budget provides for 12 months amortization
Revenue-linked expenses	95.8	200 - 220	Impact of the cost related to the Registering Company, according to the new business model of Contract System adopted in São Paulo in Jan'18
Related to the combination with Cetip	491.8	55 - 75	Considerable decline due to the progress in the integration process
Others:			
- Stock grant	108,0		
- Provisions	92,3	N/A	The company does not disclose a budget for expenses related to the stock grant program, provisions and other non-recurring events that may materialize during the year
- Other non-recurring (includes non-recurring provisions)	107,4		

¹⁰ For more information on budgets and projections disclosed by B3, see Material Fact released on May 10, 2018.

¹¹ Adjusted expenses for: (i) depreciation and amortization; (ii) revenue-linked expenses; (iii) expenses related to the combination with Cetip; (iv) stock grant program – principal and charges; and (v) provisions.

¹² Includes amortization of intangible assets.

Sustainability and private social investment

B3 entered into a partnership with the Columbia Center on Sustainable Investment, a research Center of Columbia University, in an initiative of the Emerging Market Sustainability Dialogue (EMSD), with the purpose of encouraging the transparency of social and environmental information, and its value for investors, as well as understanding how emerging countries are working on the promotion of the Sustainable Development Goals (SDG).

Regarding UN's "Ring the Bell for Gender Equality" initiative, B3 participated in a bell ringing ceremony in support of gender equality, discussing the role of the private sector in the promotion of gender equality at the workplace, on the market and in the community.

Additionally, regarding the Company's private social investment agenda, 20 new projects were listed with the Social-Environmental Investment Exchange ("BVSA"), whose projects are selected by Brazil Foundation in line with the Sustainable Development Goals (SDG).

EXTERNAL AUDIT

The Company engaged *Ernst & Young Auditores Independentes* to provide external auditing services for its 2018 financial statements.

The policy for engaging external audit services for the Company and its subsidiaries is based on internationally accepted principles, which preserve the independence of work of this nature, and include the following practices: (i) the auditor may not perform executive or management functions in the Company or its subsidiaries; (ii) the auditor may not perform operational activities in the Company or its subsidiaries that might compromise the efficacy of the audit work; and (iii) the auditor must remain impartial, avoiding any conflicts of interest or loss of independence, and must be objective in his opinions and pronouncements on the financial statements.

In 1Q18, the independent auditors and their related parties did not provide services other than those relating to the external audit.