



# QUARTERLY FINANCIAL STATEMENTS

1<sup>st</sup> quarter of 2019

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 2019 (1Q19).

### OPERATIONAL PERFORMANCE

As previously reported to the market, from this quarter, the Company started to adopt a new way of segmenting its revenues in different markets and services. The reconciliation of these changes and historical bases are available on the [Investor Relations website](#).

### Listed

#### Equities<sup>1</sup>

|                                 |                                      | 1Q19     | 1Q18     | 1Q19/1Q18 (%) | 4Q18     | 1Q19/4Q18 (%) |
|---------------------------------|--------------------------------------|----------|----------|---------------|----------|---------------|
| Cash Market                     | ADTV (R\$ million)                   | 16,182.8 | 10,895.2 | 48.5%         | 15,119.0 | 7.0%          |
|                                 | Margin (bps)                         | 4.356    | 4.823    | -0.468 bps    | 4.466    | -0.110 bps    |
| Average Market capitalization   | (R\$ million)                        | 3,856.6  | 3,434.8  | 12.3%         | 3,491.3  | 10.5%         |
| Turnover velocity               | Annualized (%)                       | 104.1%   | 77.7%    | 2,635 bps     | 106.1%   | -203 bps      |
| Options market (stocks/Indices) | ADTV (R\$ million)                   | 365.2    | 277.2    | 31.7%         | 375.5    | -2.7%         |
|                                 | Margin (bps)                         | 14.808   | 14.483   | 0.325 bps     | 14.444   | 0.364 bps     |
| Foward market                   | ADTV (R\$ million)                   | 156.5    | 127.7    | 22.5%         | 170.6    | -8.3%         |
|                                 | Margin (bps)                         | 13.000   | 13.000   | -             | 13.000   | -             |
| Future stock indices            | ADV (thousands of contracts)         | 1,277.4  | 566.1    | 125.7%        | 942.4    | 35.5%         |
|                                 | Average RPC (R\$)                    | 0.855    | 0.849    | 0.7%          | 0.874    | -2.1%         |
| Investors number                | Average (thousand)                   | 943,297  | 656,960  | 43.6%         | 811,572  | 16.2%         |
| Securities lending              | Average open positions (R\$ billion) | 55.8     | 43.7     | 27.6%         | 52.9     | 5.5%          |

The highlights in the equities segment were the 48.5% growth in the average daily traded value on the cash equities market and 125.7% increase in volumes of Stock indices futures contracts, both compared to 1Q18. In the cash equities market, this increase reflects both the growth of 12.3% in the market capitalization<sup>2</sup> and the higher turnover velocity<sup>3</sup>, which reached 104.1% in 1Q19. In the futures contracts market, the performance is explained by the growth in trading of Mini contracts, notably by individual investors and High Frequency Traders (HFT). The trading/post-trading margin in cash equities was 4.356 bps in 1Q19 versus 4.823 bps in 1Q18, explained mainly by (i) the greater participation of day trades and local institutional investors, whose margins are lower; and (ii) marginal discounts to the market in accordance with B3’s pricing policy<sup>4</sup>.

It is also worth noting the 43.6% growth in the number of active investors in this market, evidencing the increased interest in diversifying investments in a low interest rate scenario.

#### FICC<sup>1</sup>

|                       |                                   | 1Q19    | 1Q18    | 1Q19/1Q18 (%) | 4Q18    | 1Q19/4Q18 (%) |
|-----------------------|-----------------------------------|---------|---------|---------------|---------|---------------|
| Interest rates in BRL | ADV (thousand of contracts)       | 1,989.7 | 2,108.7 | -5.6%         | 1,615.3 | 23.2%         |
|                       | Average RPC (R\$)                 | 1.038   | 1.035   | 0.3%          | 1.148   | -9.6%         |
| Interest rates in USD | ADV (thousand of contracts)       | 379.1   | 290.0   | 30.7%         | 372.0   | 1.9%          |
|                       | Average RPC (R\$)                 | 1.623   | 1.505   | 7.8%          | 1.730   | -6.2%         |
| FX rates              | ADV (thousand of contracts)       | 765.9   | 640.1   | 19.6%         | 766.8   | -0.1%         |
|                       | Average RPC (R\$)                 | 3.488   | 2.970   | 17.4%         | 3.494   | -0.2%         |
| Commodities           | ADV (thousand of contracts)       | 6.7     | 10.8    | -38.0%        | 6.9     | -3.1%         |
|                       | Average RPC (R\$)                 | 2.076   | 1.710   | 21.4%         | 2.335   | -11.1%        |
| Total                 | Total ADV (thousand of contracts) | 3,141.5 | 3,049.6 | 3.0%          | 2,761.0 | 13.8%         |
|                       | Average RPC (R\$)                 | 1.708   | 1.488   | 14.8%         | 1.881   | -9.2%         |

<sup>1</sup> The volume of Mini contracts is weighted on the respective standard contracts, affecting both the volumes and the RPC of these groups of contracts.

<sup>2</sup> Market capitalization is obtained by multiplying the number of shares issued by the listed companies by their respective market prices.

<sup>3</sup> Turnover velocity is obtained by dividing the annualized trading volume on the spot market in the period, by the average market capitalization in the same period.

<sup>4</sup> According to the prevailing fee schedule of the cash equities segment, marginal discounts are granted to the entire market whenever the average daily trading value for the month exceeds the levels of R\$9 billion, R\$11 billion and R\$13 billion.

Average daily volume totaled 3.1 million contracts in 1Q19, an increase of 3.0% when compared to 1Q18, mainly explained by the increase in volumes of Interest rates in USD and FX rates contracts. The average RPC increased 14.8% compared to 1Q18, mainly due to the 16.0% appreciation of the US Dollar against the Real in the period, which positively impacted the RPC of Interest rates in USD, FX rates and Commodities contracts.

## OTC

### Fixed Income

|            |  | 1Q19    | 1Q18    | 1Q19/1Q18 (%) | 4Q18    | 1Q19/4Q18 (%) |
|------------|--|---------|---------|---------------|---------|---------------|
| New issues | Bank funding (total in R\$billion)     | 2,121.0 | 1,871.3 | 13.3%         | 2,212.4 | -4.1%         |
| Stock      | Bank funding (average in R\$billion)   | 1,148.3 | 1,005.0 | 14.3%         | 1,164.1 | -1.4%         |
|            | Corporate debt (average in R\$billion) | 590.6   | 665.2   | -11.2%        | 631.8   | -6.5%         |

The beginning of the recovery in credit offered by the banks led to an increase in operations with bank funding instruments, with a 13.3% growth in new issuances and a 14.3% increase in outstanding positions compared to 1Q18. Meanwhile, the average outstanding volume value<sup>5</sup> of corporate debt in the CSD decreased by 11.2%, mainly as a result of the significant volume of redemption of debentures issued by leasing companies, due to regulatory changes<sup>5</sup>.

### Derivatives

|            |                         | 1Q19    | 1Q18    | 1Q19/1Q18 (%) | 4Q18    | 1Q19/4Q18 (%) |
|------------|-------------------------|---------|---------|---------------|---------|---------------|
| New issues | (total in R\$billion)   | 2,294.9 | 1,635.0 | 40.4%         | 2,603.5 | -11.9%        |
| Stock      | (average in R\$billion) | 2,380.7 | 1,997.5 | 19.2%         | 2,466.5 | -3.5%         |

In 1Q19, the financial volumes in the OTC derivatives and structured notes also increased when compared to 1Q18: 40.2% in new registrations and 19.2% in the average outstanding financial volume, both led by the growth in FX contracts.

## Infrastructure for Financing

|                   |  | 1Q19    | 1Q18    | 1Q19/1Q18 (%) | 4Q18    | 1Q19/4Q18 (%) |
|-------------------|--|---------|---------|---------------|---------|---------------|
| SNG               | Number of vehicles sold (millions)     | 4,214.9 | 4,051.5 | 4.0%          | 4,715.4 | -10.6%        |
|                   | Number of vehicles financed (millions) | 1,406.3 | 1,312.0 | 7.2%          | 1,469.0 | -4.3%         |
|                   | % Vehicles financed / vehicles sold    | 33.4%   | 32.4%   | 98 bps        | 31.2%   | 221 bps       |
| Contracts Systems | Contracts added (millions)             | 767.3   | 875.4   | -12.3%        | 825.9   | -7.1%         |
|                   | % Contracts added / vehicles financed  | 54.6%   | 66.7%   | -1,216 bps    | 56.2%   | -166 bps      |

The number of registrations in the National Liens System (SNG) was positively impacted by a 7.2% increase in the total number of vehicles financed in 1Q19 compared to 1Q18. This growth is explained by the 4.0% increase in the total number of vehicles sold in the annual comparison and by greater credit penetration<sup>6</sup>, which increased from 32.4% in 1Q18 to 33.4% in 1Q19.

In the Contracts System, the number of contracts transmitted was 12.3% lower than in 1Q18, explained by the interruption of the service in the state of Paraná in Oct'18, which directly affected B3's market share, which fell from 66.7 % in 1Q18 to 54.6% in 1Q19.

## Technology, Data and Services

### Access and Technology

|                     |  | 1Q19    | 1Q18    | 1Q19/1Q18 (%) | 4Q18    | 1Q19/4Q18 (%) |
|---------------------|--|---------|---------|---------------|---------|---------------|
| Monthly Utilization | Average number of clients                      | 12,967  | 12,339  | 5.1%          | 12,741  | 1.8%          |
| CIP                 | Processed electronic cash transfers (thousand) | 175,095 | 145,058 | 20.7%         | 175,353 | -0.1%         |

The average number of clients that pay the monthly utilization fees related to the services in the OTC market increased 5.1% when compared to the same period of the previous year, due to the entry of credit unions as clients

<sup>5</sup> In Oct'16, the Central Bank published a resolution prohibiting the execution, extension and renewal of REPOS with securities issued by companies linked to the same financial conglomerate, including debentures issued by leasing companies.

<sup>6</sup> Credit penetration is measured by the number of vehicles financed divided by the total number of vehicles sold.

The number of processed electronic cash transfers (EFT) during the quarter was 20.7% higher than in 1Q18, reflecting the greater use of this bank transfer instrument.

## ECONOMIC AND FINANCIAL PERFORMANCE

### Revenues

**Total revenues:** totaled R\$1,531.9 million in 1Q19, 24.1% higher than in 1Q18, explained by revenue growth in all Company's business lines.

**Listed:** totaled R\$955.1 million in the quarter (62.4% of the total), 31.0% higher than in 1Q18.

- **Equities:** R\$629.8 million (41.1%), up by 39.3% in the period.

Trading and post-trading: R\$538.6 million (35.2 % of the total), up by 42.4% in comparison with the 1Q18, reflecting the increase in volumes traded in the period, especially in the cash equities market and stock indices futures contracts, where average volumes grew 48.5% and 125.7%, respectively. The trading/post-trading margin cash equities fell 0.468 bps, while the average revenue per contract (RPC) of the stock indices futures contracts remained stable in the period.

Depository: R\$36.9 million (2.4% of the total), up by 24.7% over 1Q18, mainly due to a 43.6% increase in the average number of accounts in the central depository (in Mar'19 the CSD reported a record number of 1.0 million accounts).

Stock lending: R\$34.2 million (2.2% of the total), an increase of 24.0% over 1Q18, reflecting an increase of 27.6% in the average financial volume of outstanding positions.

Listing and solutions for issuers: R\$20.2 million (1.3% of the total), up 19.8%, mainly due to the higher number of public equities offers in the quarter.

- **FICC:** R\$325.3 million (21.2% of the total), 17.4% higher than in 1Q18, mainly due to the increase in average daily volume and the higher RPC in the period. RPC was mainly impacted by the US dollar-linked revenue in the FX rates and Interest rates in USD contracts, reflecting the 16.0% appreciation of the US Dollar against the Real in the period.

**OTC:** R\$240.7 million (15.7% of the total), growth of 5.8% over 1Q18.

- Fixed income: R\$156.8 million (10.2% of the total), almost stable (+1.7%) in relation to 1Q18. The increase in revenue from bank certificates of deposit (CDBs) and real estate credit bills (LCIs) registration was offset by the decrease in Treasury Direct revenue, due to adjustments to fees (lower) and incentive programs (higher) implemented in Jan'19 to promote higher volumes.
- OTC Derivatives: R\$44.2 million (2.9% of the total), up 17.4% over 1Q18, due to the increase in the financial volume of structured notes and foreign exchange swap agreements and the appreciation of the US Dollar against the Real in the period, which impacts FX related derivatives.
- Other: R\$39.7 million (2.6% of the total), a 11.4% increase over the same period of the previous year, mainly as a result of the growth in financial volume of mutual fund quotas under custody.

**Infrastructure for financing:** R\$152.1 million (9.9% of the total), 31.5% higher than in 1Q18. This increase is explained partly by the effects of changes in the business models of some states in 2018 and early 2019<sup>7</sup>, but also by the annual price adjustment by inflation, and by a 7.2% increase in the number of vehicles financed.

**Technology, data and services:** R\$183.9 million (12.0% of the total), 13.4% higher than the same quarter of the previous year.

- Access and Technology: R\$108.0 million (7.1% of the total), a 6.7% increase over 1Q18, mainly due to the increase in the number of participants.
- Data and analytics: R\$42.9 million (2.8% of the total), an increase of 24.4% in relation to 1Q18 explained mainly by the appreciation of the US Dollar against the Real, given that 60.0% of this revenue is US Dollar-linked.
- B3 Bank: reached R\$12.1 million in 1Q19 (0.8% of total), an increase of 58.3% over 1Q18, as a result of the growth in the volume of transactions of B3 Bank's clients.

**Net Revenue:** net revenue rose by 24.0% in relation to 1Q18, reaching R\$1,378.2 million in 1Q19.

### Expenses

<sup>7</sup> Most of the increase in revenues due to the implementation of the new business model in some Brazilian states is offset by the increase in revenue-linked expenses.

Total expenses were R\$665.0 million in 1Q19, an increase of 10.3% over the same period of the previous year.

- **Personnel:** totaled R\$202.1 million in 1Q19, up by 7.0% against 1Q18, due to (i) the increase in provisions referring to the long-term, share-based incentive plan resulting from the increase in the market price of B3SA3 shares<sup>8</sup> in the quarter; (ii) the reduction in hours worked and capitalized in projects; and (iii) the 3.6% increase in provisions for the annual collective bargaining agreement applied on the Company's salary base as from Aug'18.
- **Data processing:** R\$38.7 million in 1Q19, down by 11.0% over the same period last year, due mostly to the decommissioning of one of company's data center.
- **Depreciation and amortization:** R\$257.6 million in 1Q19, an increase of 9.1% in relation to 1Q18, impacted by (i) the amortization of intangible assets recognized in the business combination with Cetip in the amount of R\$197.4 million (versus R\$187.2 million in 1Q18), (ii) the beginning of the amortization of systems that became operational and the acceleration of the depreciation of fixed assets as a result of the retrofit project in our corporate headquarters.
- **Revenue-linked expense:** R\$ 74.9 million in 1Q19, up 76.5% over 1Q18, explained by the implementation of a new business model in the Contracts System of infrastructure for financing segment, as explained in previous quarters.
- **Third-party services:** totaled R\$18.6 million in 1Q19, an increase of 23.0% in relation to 1Q18, due to the increase in consulting services.

### Financial Result

Totaled R\$20.8 million in 1Q19. Financial revenues totaled R\$111.1 million, 2.6% higher than in 1Q18, mainly due to the Company's higher cash position. Financial expenses, in turn, totaled R\$85.7 million, 33.8% less than in 1Q18, mainly due to the amortization of R\$1.5 billion in Dec'18 and the lower interest rate in the period.

| <i>(In thousand of Brazilian Reals,<br/>unless otherwise indicated)</i> | 1Q19          | 1Q18            | 1Q19/1Q18<br>(%) | 4Q18          | 1Q19/4Q18<br>(%) |
|---|---------------|-----------------|------------------|---------------|------------------|
| <b>Financial result</b>   | <b>20,781</b> | <b>(22,499)</b> | <b>-192.4%</b>   | <b>38,102</b> | <b>-45.5%</b>    |
| Financial income  | 111,124       | 108,290         | 2.6%             | 121,681       | -8.7%            |
| Financial expenses  | (85,687)      | (129,359)       | -33.8%           | (23,431)      | 265.7%           |
| Net FX variation  | (4,656)       | (1,430)         | 225.6%           | (60,148)      | -92.3%           |

### Income tax and social contribution

Totaled R\$129.4 million in 1Q19, down by 25.1% over the same period last year, and were impacted by the distribution of IoC in the amount of R\$395.0 million. Current tax reached R\$ 5.8 million and includes R\$4.4 million with cash impact in the quarter. The deferred income tax and social contribution line was R\$123.6 million, with no cash impact, consisting of the temporary difference from the goodwill amortization for taxes purposes of R\$119.6 million and the constitution of tax credits of R\$4.0 million, mainly relates to the payment of IoC.

### Net Income

Net income attributed to the shareholders of B3 reached R\$606.2 million, up by 92.6% in relation to 1Q18 reflecting higher revenues, and the impact of income tax in the quarter.

### Adjustments to Net Income

|  | 1Q19           | 1Q18           | 1Q19/1Q18<br>(%) | 4Q18           | 1Q19/4Q18<br>(%) |
|--|----------------|----------------|------------------|----------------|------------------|
| <b>Net income (attributable to shareholders)</b>             | <b>606,198</b> | <b>314,723</b> | <b>92.6%</b>     | <b>582,922</b> | <b>4.0%</b>      |
| (+) Expenses related to the combination with Cetip           | -              | 9,938          | -                | 8,980          | -                |
| (+) Amortization of intangibles from combination with Cetip  | 130,307        | 123,554        | 5.5%             | 123,069        | 5.9%             |
| <b>Recurring net income</b>                                  | <b>736,505</b> | <b>448,215</b> | <b>64.3%</b>     | <b>714,971</b> | <b>3.0%</b>      |
| (+) Deferred Tax (goodwill from Cetip combination)           | 119,629        | 119,629        | 0.0%             | 119,629        | 0.0%             |
| <b>Recurring net income adjusted by goodwill tax benefit</b> | <b>856,134</b> | <b>567,844</b> | <b>50.8%</b>     | <b>834,600</b> | <b>2.6%</b>      |

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

<sup>8</sup> The provisions for social and labor law charges applicable to personnel expenses involving the stock-based long-term incentive plan are restated in line with the price of the B3SA3 shares. The closing price of B3SA3 was R\$32.12 in Mar'19, compared to R\$26.81 in the end of Dec'18, up by 19.8%. On Dec'18, B3's Board of Directors approved a transaction with derivatives related to the price of its own shares, linked to a portion of the shares due in the Company's long-term incentive plan, aiming to reduce the variations in provisions for social and labor charges.

Excluding the non-recurring items mentioned above, net income would have reached R\$736.5 million<sup>9</sup> in 1Q19, an increase of 64.3% % year-over-year. Furthermore, if adjusted for the tax break resulting from the goodwill amortization involving the merger of Cetip, net income would have come to R\$856.1 million.

## MAIN ITEMS OF THE CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2019

### **Assets, Liabilities and Shareholders' Equity Accounts**

The Company closed Mar'19 with R\$38.7 billion in assets, up 2.8% versus Dec'18. The main variation in assets occurred in the Financial investments and marketable securities (current and non-current) lines, which together totaled R\$ 9.7 billion.

Regarding liabilities, in the end of 1Q19, B3 recorded gross debt of R\$4.3 billion (59.1% long term, and 40.9% short term corresponding to 1.2x recurring EBITDA for the past 12 months. It is important to note that, in May'19, the Company raised additional funds in the amount of R\$1.2 billion through the issuance of debentures, in line with the revision of financial leverage projections and distribution of IoC by the Company for the exercise of 2019, disclosed through the Material Fact of February 21, 2019.

Shareholders' equity at the end of Mar'19 was R\$25.3 billion, consisting mainly of the Capital Reserve of R\$18.1 billion and the Capital of R\$3.5 billion.

## OTHER FINANCIAL INFORMATION

### **Investments**

in 1Q19, investments amounted to R\$65.1 million, mainly related to upgrades of IT system for all segments in which B3 operates, as well as to product development and to the retrofit project of the Company's headquarter (engineering, furniture and technology).

### **Distributions to shareholders**

On March 21, 2019, the Board of Directors approved distribution of R\$395.0 million in IoC, paid on April 5, 2019, based on the shareholders' register of March 26, 2019.

## EXTERNAL AUDIT

The Company has retained *Ernst & Young Auditores Independentes* to provide external services for its financial statements for the year 2019.

The company's policy, and that of its subsidiaries, on retaining external auditing services is based on internationally accepted principles that preserve the independence of work of this nature and consist of the following practices: (i) the auditor cannot perform executive and managerial functions either within the Company, or its subsidiaries; (ii) the auditor cannot play an operational role within the Company and its subsidiaries that may prejudice the efficacy of the audit work; and (iii) the auditor must remain impartial – avoiding the existence of conflicts of interest and loss of independence – and the objectiveness of his opinions and pronouncements about the financial statements.

In 1Q19, *Ernst & Young Auditores Independentes* was contracted to provide non-external audit service, whose contract total was less than 5% of the total fees for external audit services scheduled for the year. The contracted service was the preparation and issuance of an appraisal report of the net book value determined through the accounting books (the "Report") of *BLK Sistemas Financeiros Ltda.*, for the period ended December 31, 2018.

<sup>9</sup> The objective of B3 in presenting the recurring net income metric is to facilitate the comparison between periods and, consequently, the evaluation of the Company's performance, highlighting non-recurring items not directly related to the normal course of its business.

## **Quarterly Information (ITR)**

### **B3 S.A. - Brasil, Bolsa, Balcão**

March 31, 2019  
with Independent Auditor's Report

# **B3 S.A. - Brasil, Bolsa, Balcão**

## Quarterly Information

March 31, 2019

### Contents

|   |    |
|---|----|
| Independent auditor's report on quarterly information ..... | 1  |
| Financial statements  |    |
| Balance sheet .....   | 3  |
| Statement of income .....                                   | 5  |
| Statement of comprehensive income .....                     | 6  |
| Statement of changes in equity .....                        | 7  |
| Statement of cash flow .....                                | 9  |
| Statement of value added .....                              | 10 |
| Notes to quarterly information .....                        | 11 |





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**A free translation from Portuguese into English of Independent Auditor's Report on quarterly information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).**

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## **Independent auditor's report on quarterly information**

The Shareholders, Board of Directors and Officers

### **B3 S.A. - Brasil, Bolsa, Balcão**

São Paulo, Brazil

We have reviewed the accompanying individual and consolidated interim financial information of B3 S.A. - Brasil, Bolsa, Balcão ("Company"), contained in the Quarterly Information Form (ITR) for the three-month period ended March 31, 2019, which comprises the balance sheets as at March 31, 2019 and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including explanatory information.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this financial information in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## **Conclusion on the individual and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

## **Other matters**

### **Statements of value added**

We have also reviewed the individual and consolidated Statements of Value Added (SVA) for the three-month period ended March 31, 2019, prepared under the responsibility of Company's management, the presentation of which in the interim financial information is required by the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR), and as supplementary information under the IFRS, whereby no SVA presentation is required.

These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall interim financial information.

São Paulo, May 9, 2019.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP034519/O-6

Flávio Serpejante Peppe  
Partner

A free translation from Portuguese into English of individual and consolidated quarterly information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

### B3 S.A. - Brasil, Bolsa, Balcão

Balance sheet

March 31, 2019 and December 31, 2018

(In thousands of reais)

|   | Notes | B3                |            | Consolidated      |            |
|---|-------|-------------------|------------|-------------------|------------|
|   |       | 03/31/2019        | 12/31/2018 | 03/31/2019        | 12/31/2018 |
| Assets  |       |                   |            |                   |            |
| Current assets                                  |       | <b>7,912,261</b>  | 6,578,955  | <b>8,800,335</b>  | 7,475,618  |
| Cash and cash equivalents                       | 4(a)  | <b>809,082</b>    | 291,812    | <b>888,531</b>    | 329,687    |
| Financial investments and marketable securities | 4(b)  | <b>6,364,615</b>  | 5,639,356  | <b>7,124,580</b>  | 6,487,587  |
| Derivative financial instruments                | 4(c)  | <b>24,626</b>     | 24,839     | <b>24,626</b>     | 24,839     |
| Accounts receivable                             | 5     | <b>312,602</b>    | 318,378    | <b>317,457</b>    | 323,822    |
| Taxes recoverable and prepaid                   | 16(d) | <b>328,420</b>    | 228,163    | <b>335,083</b>    | 232,910    |
| Prepaid expenses                                |       | <b>47,819</b>     | 43,471     | <b>48,485</b>     | 43,491     |
| Other receivables                               |       | <b>10,219</b>     | 18,058     | <b>46,695</b>     | 18,404     |
| Noncurrent assets available to sell             |       | <b>14,878</b>     | 14,878     | <b>14,878</b>     | 14,878     |
| Noncurrent assets                               |       | <b>31,387,967</b> | 31,642,079 | <b>29,913,886</b> | 30,196,627 |
| Long-term receivables                           |       | <b>2,189,315</b>  | 2,286,165  | <b>2,290,149</b>  | 2,388,707  |
| Financial investments and marketable securities | 4(b)  | <b>1,620,579</b>  | 1,653,205  | <b>1,720,802</b>  | 1,755,193  |
| Derivative financial instruments                | 4(c)  | <b>259,042</b>    | 257,185    | <b>259,042</b>    | 257,185    |
| Judicial deposits                               | 11(h) | <b>293,330</b>    | 363,379    | <b>293,941</b>    | 363,933    |
| Prepaid expenses                                |       | <b>16,364</b>     | 12,396     | <b>16,364</b>     | 12,396     |
| Investments                                     |       | <b>1,644,825</b>  | 1,596,286  | <b>46,706</b>     | 45,591     |
| Interest held in subsidiaries and associate     | 6(a)  | <b>1,644,825</b>  | 1,596,286  | <b>21,005</b>     | 19,510     |
| Investment properties                           | 6(b)  | -                 | -          | <b>25,701</b>     | 26,081     |
| Property and equipment                          | 7     | <b>625,949</b>    | 625,598    | <b>629,221</b>    | 627,325    |
| Intangible assets                               | 8     | <b>26,927,878</b> | 27,134,030 | <b>26,947,810</b> | 27,135,004 |
| Total assets                                    |       | <b>39,300,228</b> | 38,221,034 | <b>38,714,221</b> | 37,672,245 |

See accompanying notes.

## B3 S.A. - Brasil, Bolsa, Balcão

Balance sheet -- continued  
 March 31, 2019 and December 31, 2018  
 (In thousands of reais)

|  | Notes | B3                |            | Consolidated      |            |
|--|-------|-------------------|------------|-------------------|------------|
|  |       | 03/31/2019        | 12/31/2018 | 03/31/2019        | 12/31/2018 |
| Liabilities and equity                                   |       |                   |            |                   |            |
| Current liabilities                                      |       | <b>7,096,498</b>  | 6,469,185  | <b>6,339,665</b>  | 5,755,789  |
| Collateral for transactions                              | 14    | <b>2,817,978</b>  | 2,110,933  | <b>2,817,978</b>  | 2,110,933  |
| Earnings and rights on securities in custody             | 21(c) | <b>58,496</b>     | 59,850     | <b>58,496</b>     | 59,850     |
| Suppliers  |       | <b>146,738</b>    | 188,655    | <b>150,112</b>    | 190,569    |
| Salaries and social charges                              | 21(a) | <b>220,040</b>    | 325,385    | <b>220,773</b>    | 326,675    |
| Taxes and contributions payable                          | 21(b) | <b>147,690</b>    | 116,194    | <b>156,729</b>    | 125,624    |
| Loans and financing                                      | 9     | <b>3,173,129</b>  | 3,171,823  | <b>1,763,655</b>  | 1,777,213  |
| Derivative financial instruments                         | 4(c)  | <b>3,705</b>      | 7,288      | <b>3,705</b>      | 7,288      |
| Dividends and interest on equity payable                 |       | <b>345,835</b>    | 370,203    | <b>345,835</b>    | 370,203    |
| Revenues to be allocated                                 |       | <b>72,607</b>     | 43,601     | <b>72,607</b>     | 43,601     |
| Other liabilities  | 10    | <b>110,280</b>    | 75,253     | <b>749,775</b>    | 743,833    |
| Noncurrent liabilities                                   |       | <b>6,926,941</b>  | 6,718,880  | <b>7,084,602</b>  | 6,872,260  |
| Loans and financing                                      | 9     | <b>2,633,377</b>  | 2,585,445  | <b>2,779,158</b>  | 2,731,946  |
| Deferred income tax and social contribution              | 16(a) | <b>3,473,929</b>  | 3,344,459  | <b>3,477,711</b>  | 3,344,440  |
| Provisions for tax, civil, labor and other contingencies | 11(e) | <b>758,929</b>    | 714,145    | <b>765,986</b>    | 721,043    |
| Revenues to be allocated                                 |       | <b>49,869</b>     | 47,606     | <b>49,869</b>     | 47,606     |
| Other liabilities  | 10    | <b>10,837</b>     | 27,225     | <b>11,878</b>     | 27,225     |
| Equity   | 12    | <b>25,276,789</b> | 25,032,969 | <b>25,289,954</b> | 25,044,196 |
| Capital and reserves attributable shareholders of B3     |       |                   |            |                   |            |
| Capital  |       | <b>3,548,655</b>  | 3,548,655  | <b>3,548,655</b>  | 3,548,655  |
| Capital reserve  |       | <b>18,052,433</b> | 18,066,178 | <b>18,052,433</b> | 18,066,178 |
| Revaluation reserves                                     |       | <b>18,285</b>     | 18,431     | <b>18,285</b>     | 18,431     |
| Income reserves  |       | <b>3,523,443</b>  | 3,523,443  | <b>3,523,443</b>  | 3,523,443  |
| Treasury shares  |       | <b>(130,740)</b>  | (165,635)  | <b>(130,740)</b>  | (165,635)  |
| Other comprehensive income                               |       | <b>53,369</b>     | 41,897     | <b>53,369</b>     | 41,897     |
| Retained earnings  |       | <b>211,344</b>    | -          | <b>211,344</b>    | -          |
|  |       | <b>25,276,789</b> | 25,032,969 | <b>25,276,789</b> | 25,032,969 |
| Non-controlling interests                                |       | -                 | -          | <b>13,165</b>     | 11,227     |
| Total liabilities and equity                             |       | <b>30,300,228</b> | 38,221,034 | <b>38,714,221</b> | 37,672,245 |

See accompanying note

## B3 S.A. - Brasil, Bolsa, Balcão

### Statement of income

Quarters ended March 31, 2019 and 2018

(In thousands of reais, unless otherwise stated)

|  | Notes         | B3               |            | Consolidated     |            |
|--|---------------|------------------|------------|------------------|------------|
|  |               | 1Q 2019          | 1Q 2018(*) | 1Q 2019          | 1Q 2018(*) |
| Revenues   | 17            | <b>1,354,026</b> | 1,094,765  | <b>1,378,242</b> | 1,111,922  |
| Expenses   |               | <b>(656,709)</b> | (594,323)  | <b>(664,992)</b> | (602,821)  |
| General and administrative   |               |                  |            |                  |            |
| Personnel and charges  |               | <b>(197,617)</b> | (184,787)  | <b>(202,078)</b> | (188,925)  |
| Data processing  |               | <b>(37,998)</b>  | (42,834)   | <b>(38,658)</b>  | (43,435)   |
| Depreciation and amortization  | 6(b), 7 and 8 | <b>(257,102)</b> | (235,663)  | <b>(257,562)</b> | (236,049)  |
| Revenue-linked expense   |               | <b>(74,039)</b>  | (41,752)   | <b>(74,900)</b>  | (42,439)   |
| Third-party services   |               | <b>(17,909)</b>  | (14,879)   | <b>(18,653)</b>  | (15,168)   |
| Maintenance  |               | <b>(5,056)</b>   | (4,988)    | <b>(5,652)</b>   | (5,612)    |
| Communications   |               | <b>(696)</b>     | (1,101)    | <b>(714)</b>     | (1,121)    |
| Marketing  |               | <b>(4,096)</b>   | (4,075)    | <b>(4,174)</b>   | (4,133)    |
| Taxes and charges  |               | <b>(2,521)</b>   | (2,205)    | <b>(2,919)</b>   | (2,627)    |
| Board and committee members' compensation                                |               | <b>(2,838)</b>   | (3,641)    | <b>(2,838)</b>   | (3,641)    |
| Sundry expenses  | 18            | <b>(56,837)</b>  | (58,398)   | <b>(56,844)</b>  | (59,671)   |
| Equity in income of investees  | 6(a)          | <b>31,737</b>    | 22,673     | <b>1,495</b>     | 1,005      |
| Financial result   | 19            | <b>(1,143)</b>   | (42,128)   | <b>20,781</b>    | (22,499)   |
| Financial income   |               | <b>108,954</b>   | 105,967    | <b>111,124</b>   | 108,290    |
| Financial expenses   |               | <b>(98,168)</b>  | (139,141)  | <b>(85,687)</b>  | (129,359)  |
| Net FX variation   |               | <b>(11,929)</b>  | (8,954)    | <b>(4,656)</b>   | (1,430)    |
| Income before taxes  |               | <b>727,911</b>   | 480,987    | <b>735,526</b>   | 487,607    |
| Income tax and social contribution                                       | 16(c)         | <b>(121,713)</b> | (166,264)  | <b>(129,409)</b> | (172,871)  |
| Current  |               | <b>1,929</b>     | (18,216)   | <b>(5,769)</b>   | (24,574)   |
| Deferred   |               | <b>(123,642)</b> | (148,048)  | <b>(123,640)</b> | (148,297)  |
| Net income for the periods   |               | <b>606,198</b>   | 314,723    | <b>606,117</b>   | 314,736    |
| Attributable to:   |               |                  |            |                  |            |
| Shareholders of B3   |               | <b>606,198</b>   | 314,723    | <b>606,198</b>   | 314,723    |
| Non-controlling interest   |               |                  |            | <b>(81)</b>      | 13         |
| Earnings per share attributable to shareholders of B3 (in R\$ per share) | 12(g)         |                  |            |                  |            |
| Basic earnings per share   |               |                  |            | <b>0.296113</b>  | 0.154117   |
| Diluted earnings per share   |               |                  |            | <b>0.294460</b>  | 0.153224   |

(\*) Restatement according to Note 2 (e) (ii).

See accompanying notes.

## B3 S.A. - Brasil, Bolsa, Balcão

Statement of comprehensive income  
 Quarters ended March 31, 2019 and 2018  
 (In thousands of reais)

| Notes   | B3             |         | Consolidated   |         |
|---|----------------|---------|----------------|---------|
|   | 1Q 2019        | 1Q 2018 | 1Q 2019        | 1Q 2018 |
| <b>Net income for the period</b>  | <b>606,198</b> | 314,723 | <b>606,117</b> | 314,736 |
| <b>Other comprehensive income to be reclassified to P&amp;L in subsequent periods</b> | <b>1,087</b>   | 10,096  | <b>1,087</b>   | 10,096  |
| <b>Translation adjustments</b>  |                |         |                |         |
| Exchange rate variation on investment in foreign subsidiary                           | 167            | 150     | 167            | 150     |
| Exchange rate variation on financial assets, net of taxes                             | 4,139          | 9,297   | 4,139          | 9,297   |
|   | <b>4,306</b>   | 9,447   | <b>4,306</b>   | 9,447   |
| <b>Cash flow hedge</b>  |                |         |                |         |
| Cash flow hedging instruments value, net of taxes                                     | 2,371          | 3,477   | 2,371          | 3,477   |
| Transfer to P&L of cash flow hedging instrument value, net of taxes                   | (5,168)        | (4,240) | (5,168)        | (4,240) |
|   | <b>(2,797)</b> | (763)   | <b>(2,797)</b> | (763)   |
| <b>Financial instruments measured at fair value through comprehensive income</b>      |                |         |                |         |
| Market to market of other financial assets, net of taxes                              | (414)          | 1,426   | (414)          | 1,426   |
|   | <b>(414)</b>   | 1,426   | <b>(414)</b>   | 1,426   |
| <b>Comprehensive income of subsidiary</b>   |                |         |                |         |
| Comprehensive income of subsidiary  | (8)            | (14)    | (8)            | (14)    |
|   | <b>(8)</b>     | (14)    | <b>(8)</b>     | (14)    |
| <b>Other comprehensive income not reclassified to P&amp;L in subsequent periods</b>   |                |         |                |         |
| Cash flow hedging instruments value, net of taxes                                     | (4,112)        | (6,356) | (4,112)        | (6,356) |
| Market to market of equity instruments, net of taxes                                  | 14,497         | (2,020) | 14,497         | (2,020) |
|   | <b>10,385</b>  | (8,376) | <b>10,385</b>  | (8,376) |
| <b>Total comprehensive income for the periods</b>                                     | <b>617,670</b> | 316,443 | <b>617,589</b> | 316,456 |
| <b>Attributable to:</b>   | <b>617,670</b> | 316,443 | <b>617,589</b> | 316,456 |
| Shareholders of B3  | <b>617,670</b> | 316,443 | <b>617,670</b> | 316,443 |
| Non-controlling interests   | -              | -       | <b>(81)</b>    | 13      |

See accompanying notes.

## B3 S.A. - Brasil, Bolsa, Balcão

Statement of changes in equity  
Quarter ended March 31, 2019  
(In thousands of reais)

| Notes   | Attributable to shareholders of B3 |                   |                                  |                              |                   |                              |                            |                   |                   |               | Non-controlling shareholders | Total equity |
|---|------------------------------------|-------------------|----------------------------------|------------------------------|-------------------|------------------------------|----------------------------|-------------------|-------------------|---------------|------------------------------|--------------|
|   | Capital                            | Capital reserve   | Revaluation reserve (Note 12(c)) | Income reserves (Note 12(e)) |                   | Treasury shares (Note 12(b)) | Other comprehensive income | Retained earnings | Total             |               |                              |              |
|   |                                    |                   |                                  | Legal reserve                | Statutory reserve |                              |                            |                   |                   |               |                              |              |
| <b>Balances at December 31, 2018</b>                                      | 3,548,655                          | 18,066,178        | 18,431                           | 3,453                        | 3,519,990         | (165,635)                    | 41,897                     | -                 | 25,032,969        | 11,227        | 25,044,196                   |              |
| Translation adjustments   | -                                  | -                 | -                                | -                            | -                 | -                            | 4,306                      | -                 | 4,306             | -             | 4,306                        |              |
| Cash flow hedge   | -                                  | -                 | -                                | -                            | -                 | -                            | (6,909)                    | -                 | (6,909)           | -             | (6,909)                      |              |
| Financial instruments measured at fair value through comprehensive income | -                                  | -                 | -                                | -                            | -                 | -                            | (414)                      | -                 | (414)             | -             | (414)                        |              |
| Comprehensive income of subsidiary  | 6(a)                               | -                 | -                                | -                            | -                 | -                            | (8)                        | -                 | (8)               | -             | (8)                          |              |
| Market to Market of equity instruments, net of taxes                      | -                                  | -                 | -                                | -                            | -                 | -                            | 14,497                     | -                 | 14,497            | -             | 14,497                       |              |
| <b>Total comprehensive income</b>   | -                                  | -                 | -                                | -                            | -                 | -                            | <b>11,472</b>              | -                 | <b>11,472</b>     | -             | <b>11,472</b>                |              |
| Realization of revaluation reserve - subsidiaries                         | -                                  | -                 | (146)                            | -                            | -                 | -                            | -                          | 146               | -                 | -             | -                            |              |
| Income from adoption of IFRS 16/CPC 06 (R2)                               | 3(b)                               | (1,140)           | -                                | -                            | -                 | -                            | -                          | -                 | (1,140)           | -             | (1,140)                      |              |
| Transfer of treasury shares - stock grant plan                            | 15(a)                              | (34,529)          | -                                | -                            | -                 | 34,529                       | -                          | -                 | -                 | -             | -                            |              |
| Recognition of stock grant plan and stock option                          | -                                  | 21,924            | -                                | -                            | -                 | 366                          | -                          | -                 | 22,290            | -             | 22,290                       |              |
| Noncontrolling interests of BLK   | -                                  | -                 | -                                | -                            | -                 | -                            | -                          | -                 | -                 | 2,019         | 2,019                        |              |
| Net income for the quarter  | -                                  | -                 | -                                | -                            | -                 | -                            | -                          | 606,198           | 606,198           | (81)          | 606,117                      |              |
| Allocations of profit:  |                                    |                   |                                  |                              |                   |                              |                            |                   |                   |               |                              |              |
| Interest on Equity  | 12(f)                              | -                 | -                                | -                            | -                 | -                            | -                          | (395,000)         | (395,000)         | -             | (395,000)                    |              |
| <b>Balances at March 31, 2019</b>   | <b>3,548,655</b>                   | <b>18,052,433</b> | <b>18,285</b>                    | <b>3,453</b>                 | <b>3,519,990</b>  | <b>(130,740)</b>             | <b>53,369</b>              | <b>211,344</b>    | <b>25,276,789</b> | <b>13,165</b> | <b>25,289,954</b>            |              |

See accompanying notes.

## B3 S.A. - Brasil, Bolsa, Balcão

Statement of changes in equity  
Quarter ended March 31, 2018  
(In thousands of reais)

| Notes   | Attributable to shareholders of B3 |                 |                                   |                              |                    |                 |                            |                   |              |                           |              |
|---|------------------------------------|-----------------|-----------------------------------|------------------------------|--------------------|-----------------|----------------------------|-------------------|--------------|---------------------------|--------------|
|   | Capital                            | Capital reserve | Revaluation reserves (Note 12(c)) | Income reserves (Note 12(e)) |                    |                 | Other comprehensive income | Retained earnings | Total        | Non-controlling interests | Total equity |
|   |                                    |                 |                                   | Legal reserve                | Statutory reserves | Treasury shares |                            |                   |              |                           |              |
| Balances at December 31, 2017   | 3,198,655                          | 18,399,366      | 19,018                            | 3,453                        | 2,866,959          | (221,759)       | 34,002                     | -                 | 24,299,694   | 10,320                    | 24,310,014   |
| Translation adjustments   | -                                  | -               | -                                 | -                            | -                  | -               | 9,447                      | -                 | 9,447        | -                         | 9,447        |
| Cash flow hedge   | -                                  | -               | -                                 | -                            | -                  | -               | (7,119)                    | -                 | (7,119)      | -                         | (7,119)      |
| Financial instruments measured at fair value through comprehensive income | -                                  | -               | -                                 | -                            | -                  | -               | 1,426                      | -                 | 1,426        | -                         | 1,426        |
| Comprehensive income (loss) of subsidiary                                 | -                                  | -               | -                                 | -                            | -                  | -               | (14)                       | -                 | (14)         | -                         | (14)         |
| Market to Market of equity instruments, net of taxes                      | -                                  | -               | -                                 | -                            | -                  | -               | (2,020)                    | -                 | (2,020)      | -                         | (2,020)      |
| <b>Total comprehensive income</b>   | -                                  | -               | -                                 | -                            | -                  | -               | <b>1,720</b>               | -                 | <b>1,720</b> | -                         | <b>1,720</b> |
| Realization of revaluation reserves - subsidiaries                        | -                                  | -               | (146)                             | -                            | -                  | -               | -                          | 146               | -            | -                         | -            |
| Transfer of treasury shares – stock grant plan                            | 15(a)                              | (34,125)        | -                                 | -                            | -                  | 34,125          | -                          | -                 | -            | -                         | -            |
| Recognition of stock grant plan   | 15(a)                              | 18,923          | -                                 | -                            | -                  | -               | -                          | -                 | 18,923       | -                         | 18,923       |
| Net income for the quarter  | -                                  | -               | -                                 | -                            | -                  | -               | -                          | 314,723           | 314,723      | 13                        | 314,736      |
| Balances at March 31, 2018  | 3,198,655                          | 18,384,164      | 18,872                            | 3,453                        | 2,866,959          | (187,634)       | 35,722                     | 314,869           | 24,635,060   | 10,333                    | 24,645,393   |

See accompanying notes.



## B3 S.A. - Brasil, Bolsa, Balcão

### Statement of cash flow Quarters ended March 31, 2019 and 2018 (In thousands of reais)

|   | Notes         | B3               |                  | Consolidated     |                  |
|---|---------------|------------------|------------------|------------------|------------------|
|   |               | 1Q 2019          | 1Q 2018          | 1Q 2019          | 1Q 2018          |
| <b>Cash flow from operating activities</b>  |               |                  |                  |                  |                  |
| <b>Net income for the period</b>  |               | <b>606,198</b>   | <b>314,723</b>   | <b>606,117</b>   | <b>314,736</b>   |
| Adjustments for:  |               |                  |                  |                  |                  |
| Depreciation/amortization   | 6(b), 7 and 8 | 257,102          | 235,663          | 257,562          | 236,049          |
| Deferred income tax and social contribution   |               | 123,642          | 145,319          | 123,640          | 145,569          |
| Equity pick-up  | 6(a)          | (31,737)         | (22,673)         | (1,495)          | (1,005)          |
| Stock option and stock grant plan expenses  | 15(a)         | 21,796           | 18,923           | 21,924           | 18,923           |
| Interest expenses   | 19            | 79,536           | 98,907           | 66,276           | 88,856           |
| Provision for tax, civil and labor contingencies  | 11(e)         | 47,129           | 44,538           | 47,288           | 44,958           |
| Derivative financial instruments - Swap   |               | (16,722)         | 58,270           | (16,722)         | 58,270           |
| Exchange rate variation - Fair value hedge  | 9             | 13,403           | 9,670            | 13,403           | 9,670            |
| Exchange rate variation - loans taken   | 9             | 10,105           | 7,931            | 3,285            | 642              |
| Marked to market of fundraising   | 9             | 15,513           | (31,607)         | 15,513           | (31,607)         |
| Monetary adjustment of judicial deposits  |               | (3,675)          | (4,385)          | (3,711)          | (4,389)          |
| Other   |               | 2,095            | 3,702            | 1,921            | 2,972            |
| <b>Adjusted Net Income</b>  |               | <b>1,124,385</b> | <b>878,981</b>   | <b>1,135,001</b> | <b>883,644</b>   |
| Variation in financial investments, marketable securities and collateral for transactions |               | (497,206)        | (250,151)        | (407,175)        | (278,733)        |
| Effect of exchange rate variation on cash flow hedge                                      |               | 630              | 1,366            | 630              | 1,366            |
| Variation in in taxes to be offset and recoverable  |               | (100,257)        | 79,077           | (101,999)        | 78,076           |
| Variation in accounts receivable  |               | 3,860            | (5,518)          | 5,107            | (4,800)          |
| Variation in other receivables  |               | 7,839            | 32,973           | (27,857)         | 30,751           |
| Variation in prepaid expenses   |               | (8,316)          | 603              | (8,962)          | (24)             |
| Variation in judicial deposits  |               | 73,724           | 23               | 73,724           | 23               |
| Variation in earnings and rights on securities in custody                                 |               | (1,354)          | 1,022            | (1,354)          | 1,022            |
| Variation in suppliers  |               | (41,917)         | (1,728)          | (40,763)         | (1,789)          |
| Variation in taxes and contributions payable  |               | 31,496           | (98,022)         | 30,657           | (99,989)         |
| Variation in salaries and social charges  |               | (105,345)        | (69,369)         | (106,136)        | (70,363)         |
| Variation in other liabilities  |               | 18,639           | (40,550)         | (10,699)         | (10,183)         |
| Variation in revenues to be allocated   |               | 31,269           | 27,546           | 31,269           | 27,546           |
| Variation in provision for tax, civil, and labor contingencies                            | 11(e)         | (2,345)          | (1,062)          | (2,345)          | (1,062)          |
| <b>Net cash from operating activities</b>   |               | <b>535,102</b>   | <b>555,191</b>   | <b>569,098</b>   | <b>555,485</b>   |
| <b>Cash flow from investing activities</b>  |               |                  |                  |                  |                  |
| Cash receipt from disposal of property and equipment                                      |               | 8                | 352              | 10               | 2,009            |
| Payment for purchase of property and equipment  | 7             | (10,157)         | (35,086)         | (10,161)         | (35,090)         |
| Interest on equity received   |               | -                | 5,304            | -                | -                |
| Settlement of derivative financial instrument – NDF                                       |               | 396              | (260)            | 396              | (260)            |
| Subsidiary capital increase   | 6(a)          | (3,120)          | -                | -                | -                |
| Purchase of software and projects   | 8             | (23,584)         | (9,461)          | (23,641)         | (9,461)          |
| Acquisition of subsidiary   | 2(d) and 6(a) | (13,395)         | -                | (13,395)         | -                |
| Cash effect - acquisition of subsidiary   |               | -                | -                | 426              | -                |
| <b>Net cash from (used in) investing activities</b>                                       |               | <b>(49,852)</b>  | <b>(39,151)</b>  | <b>(46,365)</b>  | <b>(42,802)</b>  |
| <b>Cash flow from financing activities</b>  |               |                  |                  |                  |                  |
| Disposal of treasury shares - stock options exercised                                     |               | 360              | -                | 360              | -                |
| Amortization of principal and interest on loans   | 9             | (88,198)         | (109,959)        | (84,107)         | (105,511)        |
| Payment of interest on equity   |               | (419,368)        | (460,698)        | (419,368)        | (460,698)        |
| <b>Net cash used in financing activities</b>  |               | <b>(507,206)</b> | <b>(570,657)</b> | <b>(503,115)</b> | <b>(566,209)</b> |
| <b>Net increase (decrease) in cash and cash equivalents</b>                               |               | <b>(21,956)</b>  | <b>(54,617)</b>  | <b>19,618</b>    | <b>(53,526)</b>  |
| <b>Balance of cash and cash equivalents at beginning of period</b>                        | 4(a)          | <b>83,125</b>    | <b>152,986</b>   | <b>121,000</b>   | <b>165,320</b>   |
| <b>Balance of cash and cash equivalents at end of period</b>                              | 4(a)          | <b>61,169</b>    | <b>98,369</b>    | <b>140,618</b>   | <b>111,794</b>   |

See accompanying notes.

## B3 S.A. - Brasil, Bolsa, Balcão

Statement of value added  
 Quarters ended March 31, 2019 and 2018  
 (In thousands of reais)

|  | Notes         | B3               |                  | Consolidated     |                  |
|--|---------------|------------------|------------------|------------------|------------------|
|  |               | 1Q 2019          | 1Q 2018          | 1Q 2019          | 1Q 2018          |
| 1 – Revenues   | 17            | <b>1,506,055</b> | <b>1,216,270</b> | <b>1,531,869</b> | <b>1,234,565</b> |
| Registration, trading, clearance and settlement system |               | 1,337,052        | 1,063,457        | 1,347,969        | 1,072,433        |
| Technology, data and services                          |               | 169,003          | 152,813          | 183,900          | 162,132          |
| 2 - Goods and services acquired from third parties     |               | <b>196,631</b>   | <b>168,027</b>   | <b>199,595</b>   | <b>171,579</b>   |
| Expenses (a)   |               | 196,631          | 168,027          | 199,595          | 171,579          |
| 3 - Gross value added (1-2)                            |               | <b>1,309,424</b> | <b>1,048,243</b> | <b>1,332,274</b> | <b>1,062,986</b> |
| 4 - Retentions   |               | <b>257,102</b>   | <b>235,663</b>   | <b>257,562</b>   | <b>236,049</b>   |
| Depreciation and amortization                          | 6(b), 7 and 8 | 257,102          | 235,663          | 257,562          | 236,049          |
| 5 - Net value added produced by the Company (3-4)      |               | <b>1,052,322</b> | <b>812,580</b>   | <b>1,074,712</b> | <b>826,937</b>   |
| 6 - Value added received in transfer                   |               | <b>140,691</b>   | <b>128,640</b>   | <b>112,619</b>   | <b>109,295</b>   |
| Equity in income of investees                          | 6(a)          | 31,737           | 22,673           | 1,495            | 1,005            |
| Financial income                                       | 19            | 108,954          | 105,967          | 111,124          | 108,290          |
| 7 - Total value added to be distributed (5+6)          |               | <b>1,193,013</b> | <b>941,220</b>   | <b>1,187,331</b> | <b>936,232</b>   |
| 8 - Distribution of value added                        |               | <b>1,193,013</b> | <b>941,220</b>   | <b>1,187,331</b> | <b>936,232</b>   |
| Personnel and charges                                  |               | 197,617          | 184,787          | 202,078          | 188,925          |
| Board and committee members' compensation              |               | 2,838            | 3,641            | 2,838            | 3,641            |
| Taxes, charges and contributions (b)                   |               |                  |                  |                  |                  |
| Federal  |               | 251,031          | 269,440          | 260,143          | 227,164          |
| Municipal  |               | 25,232           | 20,534           | 25,812           | 20,977           |
| Financial expenses and net exchange rate variation     | 19            | 110,097          | 148,095          | 90,343           | 130,789          |
| Interest on equity and dividends                       | 12 (f)        | 395,000          | -                | 395,000          | -                |
| Retained net income for the period                     |               | 211,198          | 314,723          | 211,117          | 314,736          |

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

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

See accompanying notes.

## **B3 S.A. - Brasil, Bolsa, Balcão**

Notes to quarterly information

March 31, 2019

(In thousands of reais, unless otherwise stated)

### **1. Operations**

B3 S.A. - Brasil, Bolsa, Balcão ("B3") is a publicly-traded corporation headquartered in the city of São Paulo.

### **2. Preparation and presentation of quarterly information**

This quarterly information was approved by the Board of Directors of B3 on May 9, 2019.

The quarterly information was prepared and is presented in accordance with accounting practices adopted in Brazil. In addition, the quarterly information contains the minimum disclosure requirements prescribed by CPC 21 (R1) - Interim Financial Reporting, as well as other information considered relevant. This information does not include all requirements for annual financial statements and, therefore, should be read in conjunction with the individual and consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and accounting practices adopted in Brazil, issued by Brazil's Financial Accounting Standards Board - FASB ("CPC"), and approved by the Brazilian Securities and Exchange Commission (CVM), for the year ended December 31, 2018. Accordingly, this quarterly information at March 31, 2019 was not subject to full reporting, by reason of redundancy in relation to information already presented in the annual financial statements, and as provided for in the CVM/SNC/SEP Circular Memorandum No. 003/2011.

The preparation of quarterly information requires the use of certain critical accounting estimates and also the exercise of judgment by management in the process of applying the accounting policies of B3. No changes have been recorded in assumptions and judgments by B3 management in using such estimates for preparing this quarterly information, in relation to those applied in the financial statements at December 31, 2018, as disclosed on February 21, 2019.

All significant information used by management in managing B3 is evidenced in these quarterly information according to Accounting Guidance OCPC 07.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- continued  
March 31, 2019  
(In thousands of reais, unless otherwise stated)

### a) Consolidated quarterly information

The consolidated quarterly information includes the balances of B3 and its subsidiaries, as well as special purpose entities comprising investment funds, as follows:

|   | <u>% - Ownership Interest</u> |                   |
|---|-------------------------------|-------------------|
| <b>Direct subsidiaries and controlled entities:</b> | <u>03/31/2019</u>             | <u>12/31/2018</u> |
| Banco B3 S.A.                                       | 100.00                        | 100.00            |
| Bolsa de Valores do Rio de Janeiro – BVRJ (“BVRJ”)  | 86.95                         | 86.95             |
| BM&FBOVESPA (UK) Ltd.                               | 100.00                        | 100.00            |
| BM&FBOVESPA BRV LLC                                 | 100.00                        | 100.00            |
| B3 Inova USA LLC                                    | 100.00                        | 100.00            |
| CETIP Info Tecnologia S.A.                          | 100.00                        | 100.00            |
| CETIP Lux S.à.r.l.                                  | 100.00                        | 100.00            |
| BLK Sistemas Financeiros Ltda.                      | 75.00                         | -                 |

|   | <u>% - Ownership Interest</u> |                   |
|---|-------------------------------|-------------------|
| <b>Indirect subsidiaries and controlled entities:</b> | <u>03/31/2019</u>             | <u>12/31/2018</u> |
| Blank Sys Consultoria & sistemas Ltda.                | 99.99                         | -                 |

#### Exclusive investment funds:

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

### b) Individual quarterly information

In the individual quarterly information (B3), subsidiaries are recorded using the equity method. The same adjustments are made to both individual and consolidated quarterly information so as to reach the same P&L and equity attributable to shareholders of the parent company.

### c) Functional currency

The individual and consolidated quarterly information was prepared and are presented in Brazilian reais, which is the functional currency of B3.

## **B3 S.A. - Brasil, Bolsa, Balcão**

Notes to quarterly information -- Continued  
March 31, 2019  
(In thousands of reais, unless otherwise stated)

### **d) *Business combination***

#### **BLK Sistemas Financeiros Ltda.**

As disclosed in the Notice to the Market dated March 8, 2019, B3 completed the acquisition of a 75% interest in BLK Sistemas Financeiros Ltda. ("BLK") after all conditions precedent were met. This transaction was completed on March 7, 2019 (acquisition date), and includes purchase (by B3) and sale options (by the founding member of BLK, who will remain as the executive responsible for the transaction) to be settled in cash from the remaining 25% of capital, to be exercised under the terms of the transaction, including from December 2023.

The fair value of the consideration was R\$13,395 fully paid in cash. The consideration paid was adjusted by the net debt of BLK estimated at R\$1,605, which will be definitively determined within 90 days from the transaction completion date, when B3 will make the necessary adjustment.

BLK Sistemas Financeiros Ltda., founded in 2008, is one of the leading companies in the algorithms sector in Brazil, specialized in electronic & algorithmic trading, with emphasis on the creation and development of software and order execution algorithms for the capital markets and of financial derivatives, whose major customers are institutional investors and brokers. BLK main platform is RoboTrader.

This acquisition is in line with B3's strategy to strengthen the relationship and deliver more complete solutions to its customers by expanding its product portfolio.

Until the completion of this quarterly information, the transaction costs incurred are R\$1,480 and were recorded in P&L of B3.

After the completion of referred to transaction, B3 recorded a negative result of R\$302 as a result of the equity in income of BLK between the acquisition date and this quarterly information reporting date.

#### **Identifiable net assets acquired and goodwill**

The difference between the consideration transferred in exchange for the control of BLK and its net assets at fair value resulted in the recognition of goodwill for future profitability and tangible and intangible assets.

The allocation of the amount paid/consideration was based on a preliminary valuation of the fair value of the net assets acquired of BLK and is under review by Management and independent advisors. B3 expects to complete these studies in the coming months.

The fair value of the identifiable assets acquired and liabilities assumed in the business combination was estimated using the projected discounted cash flow method and replacement cost. The fair value estimates using the discounted cash flow method were based on a discount rate of 17.11%. The portion of unidentifiable net assets of this business combination was allocated as goodwill.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
March 31, 2019  
(In thousands of reais, unless otherwise stated)

The purchase price allocated is as follows:

| <b>Base Date 03/07/2019</b>   |                |
|---|----------------|
| <b>Purchase Price Allocation (PPA)</b>  |                |
| <b>a) Purchase price</b>  | <b>13,395</b>  |
| <b>b) BLK's negative equity</b>   | <b>(49)</b>    |
| <b>c) Plus (less) value of assets and liabilities</b>                                 | <b>7,326</b>   |
| Property and equipment  | 591            |
| Platform (1)  | 10,509         |
| Deferred tax liabilities  | (3,774)        |
| <b>d) Interest held by non-controlling interests on identifiable net assets (25%)</b> | <b>(1,819)</b> |
| <b>a-b-c-d = Goodwill</b>   | <b>7,937</b>   |

(1) RoboTrader platform has an estimated useful life of 7 years.

The goodwill of R\$7,937 represents the expected future economic benefit in the business combination. Currently, Management has no intention to merger BLK, therefore there is no estimate for tax deduction.

### **e) *Restatement of prior periods***

#### **(i) *New revenue segmentation***

Beginning March 31, 2019, B3 started to adopt a new revenue disclosure structure, improving the way different activities and market dynamics are presented and grouped. This change reflected only in the presentation of revenues, not modifying the types of services provided, amounts charged and accounting practices adopted.

As a result of the adoption of the new revenue presentation structure, for the purpose of comparison of quarterly information, management is restating the balances as of March 31, 2018 of Notes "17 - Revenues" and "21- Segment information"

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

The reconciliation between the current and originally stated balances is as follows:

### Note 17 – Revenues

|   | Former segmentation |                     |                 |                     |                    |                     |                    |                     |                        |                     |                  |                           |
|---|---------------------|---------------------|-----------------|---------------------|--------------------|---------------------|--------------------|---------------------|------------------------|---------------------|------------------|---------------------------|
|   | BM&F Segment        |                     | Bovespa Segment |                     | CETIP UTVM Segment |                     | CETIP UFIN Segment |                     | Other operating income |                     | Total B3         | Total Consolidated        |
|   | B3                  | Consolidated        | B3              | Consolidated        | B3                 | Consolidated        | B3                 | Consolidated        | B3                     | Consolidated        |                  |                           |
| <b>Gross revenue</b>                        | <b>B3</b>           | <b>Consolidated</b> | <b>B3</b>       | <b>Consolidated</b> | <b>B3</b>          | <b>Consolidated</b> | <b>B3</b>          | <b>Consolidated</b> | <b>B3</b>              | <b>Consolidated</b> | <b>Total B3</b>  | <b>Total Consolidated</b> |
| <b>Listed segment</b>                       | <b>305,923</b>      | <b>305,918</b>      | <b>350,798</b>  | <b>350,798</b>      | -                  | -                   | -                  | -                   | <b>72,443</b>          | <b>72,559</b>       | <b>729,164</b>   | <b>729,275</b>            |
| Shares and variable income instruments      | 28,842              | 28,842              | 350,798         | 350,798             | -                  | -                   | -                  | -                   | 72,443                 | 72,559              | 452,083          | 452,199                   |
| Trading and post-trading                    | 28,842              | 28,842              | 349,368         | 349,368             | -                  | -                   | -                  | -                   | -                      | -                   | 378,210          | 378,210                   |
| Depository of variable income               | -                   | -                   | -               | -                   | -                  | -                   | -                  | -                   | 29,565                 | 29,565              | 29,565           | 29,565                    |
| Share loan                                  | -                   | -                   | -               | -                   | -                  | -                   | -                  | -                   | 27,585                 | 27,585              | 27,585           | 27,585                    |
| Solutions to issuers                        | -                   | -                   | 1,430           | 1,430               | -                  | -                   | -                  | -                   | 15,293                 | 15,409              | 16,723           | 16,839                    |
| Interest, currencies and goods              | 277,081             | 277,076             | -               | -                   | -                  | -                   | -                  | -                   | -                      | -                   | <b>277,081</b>   | <b>277,076</b>            |
| Trading and post-trading                    | 277,081             | 277,076             | -               | -                   | -                  | -                   | -                  | -                   | -                      | -                   | 277,081          | 277,076                   |
| <b>OTC segment</b>                          | <b>3,284</b>        | <b>3,284</b>        | <b>114</b>      | <b>114</b>          | <b>194,492</b>     | <b>194,492</b>      | -                  | -                   | <b>29,615</b>          | <b>29,615</b>       | <b>227,505</b>   | <b>227,505</b>            |
| Fixed income instruments                    | -                   | -                   | 114             | 114                 | 124,404            | 124,404             | -                  | -                   | 29,615                 | 29,615              | 154,133          | 154,133                   |
| Derivatives                                 | 3,284               | 3,284               | -               | -                   | 34,450             | 34,450              | -                  | -                   | -                      | -                   | 37,734           | 37,734                    |
| Other                                       | -                   | -                   | -               | -                   | 35,638             | 35,638              | -                  | -                   | -                      | -                   | 35,638           | 35,638                    |
| <b>Infrastructure for financing segment</b> | <b>-</b>            | <b>-</b>            | <b>-</b>        | <b>-</b>            | <b>-</b>           | <b>-</b>            | <b>106,788</b>     | <b>115,653</b>      | <b>-</b>               | <b>-</b>            | <b>106,788</b>   | <b>115,653</b>            |
| <b>Technology, Data and Service Segment</b> | <b>-</b>            | <b>-</b>            | <b>3,393</b>    | <b>3,393</b>        | <b>94,416</b>      | <b>94,416</b>       | <b>4,645</b>       | <b>4,645</b>        | <b>50,359</b>          | <b>59,678</b>       | <b>152,813</b>   | <b>162,132</b>            |
| Technology and access                       | -                   | -                   | -               | -                   | 90,021             | 90,021              | -                  | -                   | 11,185                 | 11,185              | 101,206          | 101,206                   |
| Data and analytics                          | -                   | -                   | -               | -                   | 1,943              | 1,943               | 4,645              | 4,645               | 27,909                 | 27,909              | 34,497           | 34,497                    |
| Bank B3                                     | -                   | -                   | -               | -                   | -                  | -                   | -                  | -                   | -                      | 7,632               | -                | 7,632                     |
| Others                                      | -                   | -                   | 3,393           | 3,393               | 2,452              | 2,452               | -                  | -                   | 11,265                 | 12,952              | 17,110           | 18,797                    |
| <b>Total</b>                                | <b>309,207</b>      | <b>309,202</b>      | <b>354,305</b>  | <b>354,305</b>      | <b>288,908</b>     | <b>288,908</b>      | <b>111,433</b>     | <b>120,298</b>      | <b>152,417</b>         | <b>161,852</b>      | <b>1.216,270</b> | <b>1.234,565</b>          |

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

### Note 20 - Segment information

|  | 1Q 2018         |                    |  |                          |                          |   |                  |
|--|-----------------|--------------------|--|--------------------------|--------------------------|---|------------------|
|  | Consolidated    |                    |  |                          |                          |   |                  |
|  | BM&F<br>Segment | Bovespa<br>Segment | Institutional<br>and<br>Corporate<br>Products<br>Segment | CETIP<br>UTVM<br>Segment | CETIP<br>UFIN<br>Segment | Related to<br>combination<br>with CETIP | Total            |
| <b>Net revenue</b>                                 | <b>278,132</b>  | <b>318,598</b>     | <b>153,703</b>   | <b>256,773</b>           | <b>104,716</b>           | -                                       | <b>1,111,922</b> |
| Listed segment                                     | 278,132         | 315,584            | 62,646   | -                        | -                        | -                                       | 656,362          |
| OTC segment  | -               | -                  | 26,445   | 170,462                  | -                        | -                                       | 196,907          |
| Infrastructure for financing segment               | -               | -                  | 8,364  | -                        | 100,575                  | -                                       | 108,939          |
| Technology, Data and Service Segment               | -               | 3,014              | 56,248   | 86,311                   | 4,141                    | -                                       | 149,714          |
| <b>Adjusted operating expense</b>                  | <b>(47,885)</b> | <b>(76,517)</b>    | <b>(59,876)</b>  | <b>(31,580)</b>          | <b>(51,260)</b>          | <b>(7,519)</b>                          | <b>(274,637)</b> |
| Listed segment                                     | (47,783)        | (71,454)           | (27,581)   | -                        | -                        | (5,320)                                 | (152,138)        |
| OTC segment  | (102)           | -                  | (9,975)  | (26,972)                 | -                        | (908)                                   | (37,957)         |
| Infrastructure for financing segment               | -               | -                  | (945)  | -                        | (49,516)                 | (1,291)                                 | (51,752)         |
| Technology, Data and Service Segment               | -               | (5,063)            | (21,375)   | (4,608)                  | (1,744)                  | -                                       | (32,790)         |
| <b>Long-term incentive</b>                         | <b>(7,593)</b>  | <b>(9,983)</b>     | <b>(10,617)</b>  | <b>(4,721)</b>           | <b>(1,973)</b>           | <b>(7,538)</b>                          | <b>(42,425)</b>  |
| Listed segment                                     | (7,563)         | (9,705)            | (6,418)  | -                        | -                        | (6,092)                                 | (29,778)         |
| OTC segment  | (30)            | -                  | (1,042)  | (3,420)                  | -                        | (1,020)                                 | (5,512)          |
| Infrastructure for financing segment               | -               | -                  | (1)  | -                        | (1,670)                  | (426)                                   | (2,097)          |
| Technology, Data and Service Segment               | -               | (278)              | (3,156)  | (1,301)                  | (303)                    | -                                       | (5,038)          |
| <b>Other provisions</b>                            | <b>(13,840)</b> | <b>(13,813)</b>    | <b>(9,170)</b>   | <b>(9,766)</b>           | <b>(3,121)</b>           | -                                       | <b>(49,710)</b>  |
| Listed segment                                     | (13,839)        | (13,727)           | (5,171)  | -                        | -                        | -                                       | (32,737)         |
| OTC segment  | (1)             | -                  | (1,048)  | (5,221)                  | -                        | -                                       | (6,270)          |
| Infrastructure for financing segment               | -               | -                  | (12)   | -                        | (2,924)                  | -                                       | (2,936)          |
| Technology, Data and Service Segment               | -               | (86)               | (2,939)  | (4,545)                  | (197)                    | -                                       | (7,767)          |
| <b>Income before depreciation and amortization</b> | <b>208,814</b>  | <b>218,285</b>     | <b>74,040</b>  | <b>210,706</b>           | <b>48,362</b>            | <b>(15,057)</b>                         | <b>745,150</b>   |
| <b>Depreciation and amortization</b>               | <b>(13,806)</b> | <b>(22,541)</b>    | <b>(7,885)</b>   | <b>(168,479)</b>         | <b>(23,338)</b>          | -                                       | <b>(236,049)</b> |
| Listed segment                                     | (13,788)        | (21,577)           | (3,340)  | -                        | -                        | -                                       | (38,705)         |
| OTC segment  | (18)            | -                  | (2,308)  | (141,513)                | -                        | -                                       | (143,839)        |
| Infrastructure for financing segment               | -               | -                  | -  | -                        | (23,090)                 | -                                       | (23,090)         |
| Technology, Data and Service Segment               | -               | (964)              | (2,237)  | (26,966)                 | (248)                    | -                                       | (30,415)         |
| <b>Income after depreciation and amortization</b>  | <b>195,008</b>  | <b>195,744</b>     | <b>66,155</b>  | <b>42,227</b>            | <b>25,024</b>            | <b>(15,057)</b>                         | <b>509,101</b>   |
| <b>Equity in income of investees</b>               |                 |                    |  |                          |                          | -                                       | 1,005            |
| <b>Financial result</b>                            |                 |                    |  |                          |                          | -                                       | (22,499)         |
| <b>Income tax and social contribution</b>          |                 |                    |  |                          |                          | -                                       | (172,871)        |
| <b>Net income for the period</b>                   |                 |                    |  |                          |                          |   | <b>314,736</b>   |



## **B3 S.A. - Brasil, Bolsa, Balcão**

Notes to quarterly information -- Continued  
March 31, 2019  
(In thousands of reais, unless otherwise stated)

### ***(ii) Revenue-linked expenses and expenses related to the business combination with Cetip***

In order to continuously improve the information prepared by B3, in 2019, two groups of expenses of the income statement were reclassified. For purposes of comparison of quarterly information, Management is restating the balances at March 31, 2018 of the Income Statement.

#### *Presentation of revenue-linked expenses*

From the presentation of the first quarter of 2019, B3 began to segregate expenses revenue-linked expenses in the income statement, substantially composed of the payment to the Registers for services rendered in the Infrastructure for Financing Segment.

#### *Expenses related to the business combination with CETIP*

As a result of the completion of the integration with Cetip, the expenses related to the business combination will no longer be presented in the income statement on a segregated basis. The expenses related to shares granted in 2017, in the context of the business combination with Cetip, are now recognized under "Personnel and related charges".

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

The reconciliation between the current and originally stated balances is as follows:

|  | <b>B3</b>        |                         |                           |
|--|------------------|-------------------------|---------------------------|
| <b>Expenses</b>                            | <b>1Q 2018</b>   | <b>Reclassification</b> | <b>1Q 2018 (Restated)</b> |
| General and administrative                 |                  |                         |                           |
| Personnel and charges                      | (176,127)        | (8,660)                 | (184,787)                 |
| Data processing                            | (44,545)         | 1,711                   | (42,834)                  |
| Depreciation and amortization              | (235,663)        | -                       | (235,663)                 |
| Revenue-linked expense                     | -                | (41,752)                | (41,752)                  |
| Third-party services                       | (45,734)         | 30,855                  | (14,879)                  |
| Maintenance in general                     | (4,991)          | 3                       | (4,988)                   |
| Communications                             | (1,739)          | 638                     | (1,101)                   |
| Promotion and publicity                    | (4,027)          | (48)                    | (4,075)                   |
| Taxes and charges                          | (1,546)          | (659)                   | (2,205)                   |
| Board and committee members                | (3,641)          | -                       | (3,641)                   |
| Related to business combination with Cetip | (15,057)         | 15,057                  | -                         |
| Sundry expenses                            | (61,253)         | 2,855                   | (58,398)                  |
| <b>Expenses</b>                            | <b>(594,323)</b> | <b>-</b>                | <b>(594,323)</b>          |

|  | <b>Consolidated</b> |                         |                           |
|--|---------------------|-------------------------|---------------------------|
| <b>Expenses</b>                            | <b>1Q 2018</b>      | <b>Reclassification</b> | <b>1Q 2018 (Restated)</b> |
| General and administrative                 |                     |                         |                           |
| Personnel and charges                      | (180,265)           | (8,660)                 | (188,925)                 |
| Data processing                            | (45,146)            | 1,711                   | (43,435)                  |
| Depreciation and amortization              | (236,049)           | -                       | (236,049)                 |
| Revenue-linked expense                     | -                   | (42,439)                | (42,439)                  |
| Third-party services                       | (46,710)            | 31,542                  | (15,168)                  |
| Maintenance in general                     | (5,615)             | 3                       | (5,612)                   |
| Communications                             | (1,759)             | 638                     | (1,121)                   |
| Promotion and publicity                    | (4,085)             | (48)                    | (4,133)                   |
| Taxes and charges                          | (1,968)             | (659)                   | (2,627)                   |
| Board and committee members                | (3,641)             | -                       | (3,641)                   |
| Related to business combination with Cetip | (15,057)            | 15,057                  | -                         |
| Sundry expenses                            | (62,526)            | 2,855                   | (59,671)                  |
| <b>Expenses</b>                            | <b>(602,821)</b>    | <b>-</b>                | <b>(602,821)</b>          |

## **B3 S.A. - Brasil, Bolsa, Balcão**

Notes to quarterly information -- Continued  
March 31, 2019  
(In thousands of reais, unless otherwise stated)

### **3. Summary of significant accounting practices**

#### ***a) Financial instruments***

##### **First-time adoption of CPC 48/IFRS 9 – Financial Instruments relating to hedge**

B3 adopted CPC 48/IFRS 9 - Financial Instruments for hedge accounting at January 1, 2019 prospectively. The adoption of the respective accounting pronouncement (CPC) enabled B3 to be more efficient in managing risks that could affect its P&L. All existing hedging relationships were qualified for hedge accounting and there were no significant ineffective elements, therefore no rebalancing between hedging instruments and hedged items was required.

B3 uses derivative financial instruments to hedge its assets and liabilities against market risks, especially those related to foreign currencies.

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

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

##### ***Hedge accounting***

Upon entering a hedging transaction, B3 prepares formal documentation containing: (i) hedge objective; (ii) hedge type; (iii) risk management strategy; (iv) nature of hedged risk; (v) identification of hedged item; (vi) identification of hedging instrument; and (vii) prospective effectiveness assessment.

Any imbalance between the hedged item index and the hedging instrument that is not in accordance with the hedge purpose of B3 is adjusted so that the index goes back to the standards established in the hedging strategy.

##### ***Fair value hedge***

Any gain or loss from changes in the fair value of derivative instruments designated as hedging instruments, as well as hedged assets or liabilities (hedged item) are recognized in financial result, however, if the hedged asset is an equity instrument designated upon initial recognition as measured at fair value through other comprehensive income, the gain or loss on the hedging instrument is recognized in other comprehensive income.

## **B3 S.A. - Brasil, Bolsa, Balcão**

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

### *Cash flow hedge*

Any gain or loss in the hedging instrument related to the effective hedge portion is recognized under equity, in "Other comprehensive income", net of tax effects. Consequently, the exchange rate variation in hedging instruments, previously recognized in financial result prior to its recognition as a hedging instrument, accumulates in equity and is transferred to P&L for the same period and the same account group under which the hedged transaction is recognized. When the hedged transaction implies recognition of a nonfinancial asset, gains and losses recognized in equity are transferred and included in the initial measurement of the asset cost. The non-effective portion of the hedge is immediately recognized in P&L.

### *Hedge effectiveness analysis*

B3 adopts the dollar offset method for prospective effectiveness test, which takes into consideration the ratio at fair value or present value of accumulated gains or losses in the hedging instrument with gains or losses on hedged item for hedged risk. The approach used for the analyses consists of the benchmark rate approach.

### **b) First-time adoption of IFRS 16/CPC 06 (R2) - Leases**

B3 first-time adopted IFRS 16/CPC 06 (R2) - Leases, effective for annual periods beginning on or after January 1, 2019, which replaces IAS 17 - Leases that was effective until the year ended December 31, 2018.

Under the scope of IFRS 16/CPC 06 (R2), B3 decided not to restate comparative information for 2018, therefore, the information corresponding to leases is not comparable with the information presented for 2019.

B3 recognizes a lease liability to make payments and an asset representing the right to use the underlying asset over the lease term. The interest expenses on the lease liability and the depreciation expense on the right-of-use asset are recognized separately in the income statement. Prior to the adoption of CPC 06 (R2), B3 recognized real estate leases as rental expense in P&L. B3 disregarded the "low-value asset" and "short-term" leases.

Lease liability is revalued on the occurrence of events such as change in lease term, change in future lease payments, change in an index or rate used to determine the payments. The revaluation amount of the lease liability is recognized as an adjustment to the right-of-use asset.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
March 31, 2019  
(In thousands of reais, unless otherwise stated)

### **Transition to CPC 06 (R2)**

The impacts arising from the first-time adoption on financial statements are as follows:

|   |                   |
|---|-------------------|
| <b>Impact on balance sheet</b>  | <b>01/01/2019</b> |
| <b>Assets</b>   | <b>17,739</b>     |
| Property and equipment (right-of-use assets)                              | 17,739            |
| <b>Liabilities</b>  | <b>(18,879)</b>   |
| Lease liabilities   | (18,879)          |
| <b>Net impact on equity</b>   | <b>1,140</b>      |
| <hr/>   |                   |
| <b>Impact on income statement</b>   | <b>1Q19</b>       |
| Depreciation included in general and administrative expenses              | (1,172)           |
| Operating lease expense excluded from general and administrative expenses | 1,338             |
| <b>Income before financial income and expenses</b>                        | <b>166</b>        |
| Financial expenses  | (293)             |
| Tax expense   | (43)              |
| <b>Net impact on P&amp;L</b>  | <b>(170)</b>      |

### **c) Business combination**

B3 accounts for business combinations using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition-date fair value, and the value of any noncontrolling interests in the acquiree. Costs directly attributable to the acquisition are accounted for as expenses, as incurred.

B3 measures the assets acquired and the liabilities assumed in order to classify and allocate them according to the contractual terms, economic circumstances and the relevant conditions on the acquisition date.

Any contingent consideration to be transferred by B3 is recognized at fair value on the acquisition date. Subsequent changes in the fair value of the contingent consideration considered as an asset or as a liability shall be recognized in the income statement.

Goodwill is initially measured as the transferred payment exceeding amount in relation to the net assets acquired. If the consideration is lower than the fair value of the net assets acquired, the difference will be recognized as a gain in the income statement.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For impairment test purposes, goodwill acquired in a business combination is allocated to each cash-generating units that are expected to benefit from the synergies of combination.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
March 31, 2019  
(In thousands of reais, unless otherwise stated)

### 4 Cash and cash equivalents, financial investments, marketable securities and derivative financial instruments

#### a) Cash and cash equivalents

| Description   | B3             |                | Consolidated   |                |
|---|----------------|----------------|----------------|----------------|
|   | 03/31/2019     | 12/31/2018     | 03/31/2019     | 12/31/2018     |
| Cash and banks – deposits in local currency               | 19,365         | 21,078         | 23,930         | 868            |
| Bank checking account in foreign currency                 | 41,804         | 62,047         | 116,688        | 120,132        |
| <b>Cash and cash equivalents</b>                          | <b>61,169</b>  | <b>83,125</b>  | <b>140,618</b> | <b>121,000</b> |
| Bank deposits in foreign currency - Third-party funds (1) | 747,913        | 208,687        | 747,913        | 208,687        |
| <b>Total cash and cash equivalents</b>                    | <b>809,082</b> | <b>291,812</b> | <b>888,531</b> | <b>329,687</b> |

(1) As of March 31, 2019 refers to the restricted resources of third parties linked to the full settlement of derivative transactions (Clearing BM&FBOVESPA) and exchange transactions (Clearing Exchange) and at December 31, 2018 referred to the full settlement of foreign of exchange transactions (Clearing Exchange).

Cash and cash equivalents are held with top-tier financial institutions in Brazil or abroad.

Deposits in foreign currency are primarily in US Dollars and Euros.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

### b) *Financial investments and marketable securities*

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

| Description   |                  |                                    |                                   |                | B3               |            |
|---|------------------|------------------------------------|-----------------------------------|----------------|------------------|------------|
|   | No maturity      | Above 3 months and up to 12 months | Above 12 months and up to 5 years | Over 5 years   | 03/31/2019       | 12/31/2018 |
| <b>Financial assets measured at fair value through profit or loss</b>             |                  |                                    |                                   |                |                  |            |
| Financial investment fund (1)   | 5,833,890        | -                                  | -                                 | -              | <b>5,833,890</b> | 5,046,487  |
| Federal government securities   |                  |                                    |                                   |                |                  |            |
| Financial Treasury Bills (LFT)  | -                | -                                  | 100                               | -              | <b>100</b>       | 99         |
| Other investments (3)   | 16,740           | -                                  | -                                 | -              | <b>16,740</b>    | 17,002     |
|   | <b>5,850,630</b> | -                                  | 100                               | -              | <b>5,850,730</b> | 5,063,588  |
| <b>Financial assets measured at fair value through other comprehensive income</b> |                  |                                    |                                   |                |                  |            |
| Federal government securities   |                  |                                    |                                   |                |                  |            |
| Financial Treasury Bills (LFT)  | -                | 133,285                            | 1,143,623                         | 330,246        | <b>1,607,154</b> | 1,585,986  |
| National Treasury Bills (LTN)   | -                | 8,302                              | 11,289                            | -              | <b>19,591</b>    | 160,400    |
| National Treasury Notes (NTN)   | -                | -                                  | 135,321                           | -              | <b>135,321</b>   | 138,425    |
| Shares - Minority interest (5)  | 372,398          | -                                  | -                                 | -              | <b>372,398</b>   | 344,162    |
|   | <b>372,398</b>   | 141,587                            | 1,290,233                         | 330,246        | <b>2,134,464</b> | 2,228,973  |
| <b>Total financial investments and marketable securities</b>                      |                  |                                    |                                   |                |                  |            |
|   | <b>6,223,028</b> | <b>141,587</b>                     | <b>1,290,333</b>                  | <b>330,246</b> | <b>7,985,194</b> | 7,292,561  |
| <b>Current</b>  |                  |                                    |                                   |                | <b>6,364,615</b> | 5,639,356  |
| <b>Noncurrent</b>   |                  |                                    |                                   |                | <b>1,620,579</b> | 1,653,205  |

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

| Description   |                         |                         |                                    |                                   |                       | Consolidated            |                         |
|---|-------------------------|-------------------------|------------------------------------|-----------------------------------|-----------------------|-------------------------|-------------------------|
|   | No maturity             | Up to 3 months          | Above 3 months and up to 12 months | Above 12 months and up to 5 years | Over 5 years          | 03/31/2019              | 12/31/2018              |
| <b>Financial assets measured at fair value through profit or loss</b>             |                         |                         |                                    |                                   |                       |                         |                         |
| Financial investment fund (4)   | 1,875,723               | -                       | -                                  | -                                 | -                     | <b>1,875,723</b>        | 1,659,851               |
| Repurchase agreements (2)   | -                       | 2,666,688               | 3,871                              | -                                 | -                     | <b>2,670,559</b>        | 2,012,632               |
| Federal government securities   |                         |                         |                                    |                                   |                       |                         |                         |
| Financial Treasury Bills (LFT)  | -                       | -                       | 309,599                            | 1,227,906                         | 505,648               | <b>2,043,153</b>        | 2,216,231               |
| Other investments (3)   | 18,268                  | -                       | -                                  | -                                 | -                     | <b>18,268</b>           | 18,503                  |
|   | <u>1,893,991</u>        | <u>2,666,688</u>        | <u>313,470</u>                     | <u>1,227,906</u>                  | <u>505,648</u>        | <b><u>6,607,703</u></b> | <u>5,907,217</u>        |
| <b>Financial assets measured at fair value through other comprehensive income</b> |                         |                         |                                    |                                   |                       |                         |                         |
| Federal government securities   |                         |                         |                                    |                                   |                       |                         |                         |
| Financial Treasury Bills (LFT)  | -                       | -                       | 141,078                            | 1,221,097                         | 336,255               | <b>1,698,430</b>        | 1,683,481               |
| National Treasury Bills (LTN)   | -                       | -                       | 8,302                              | 11,289                            | -                     | <b>19,591</b>           | 160,400                 |
| National Treasury Notes (NTN)   | -                       | -                       | -                                  | 135,355                           | 17                    | <b>135,372</b>          | 138,474                 |
| Other investments (3)   | 11,888                  | -                       | -                                  | -                                 | -                     | <b>11,888</b>           | 9,046                   |
| Shares - Minority interest (5)  | 372,398                 | -                       | -                                  | -                                 | -                     | <b>372,398</b>          | 344,162                 |
|   | <u>384,286</u>          | <u>-</u>                | <u>149,380</u>                     | <u>1,367,741</u>                  | <u>336,272</u>        | <b><u>2,237,679</u></b> | <u>2,335,563</u>        |
| <b>Total financial investments and marketable securities</b>                      |                         |                         |                                    |                                   |                       |                         |                         |
|   | <u><b>2,278,277</b></u> | <u><b>2,666,688</b></u> | <u><b>462,850</b></u>              | <u><b>2,595,647</b></u>           | <u><b>841,920</b></u> | <u><b>8,845,382</b></u> | <u><b>8,242,780</b></u> |
| <b>Current</b>  |                         |                         |                                    |                                   |                       | <b>7,124,580</b>        | 6,487,587               |
| <b>Noncurrent</b>   |                         |                         |                                    |                                   |                       | <b>1,720,802</b>        | 1,755,193               |

- (1) These refer to investments in financial investment funds, whose portfolios mainly comprise investments in federal government securities and government-bond-backed repurchase agreements that have the CDI (Interbank Deposit Certificate rate) as their profitability benchmark. The consolidated balances of exclusive investment funds are presented according to the nature and maturity of the portfolio, however they will be presented in noncurrent assets.

The net assets of the investment funds included in the consolidation process of the quarterly information are: (i) BB Pau Brasil FI Renda Fixa, administered by BB Gestão de Recursos DTVM S.A. - R\$538,027 (R\$505,614 at December 31, 2018); (ii) Bradesco FI Renda Fixa Longo Prazo Eucalipto, administered by Banco Bradesco S.A. - R\$2,873,302 (R\$2,417,398 at December 31, 2018); and (iii) Imbuia FI Renda Fixa Referenciado DI, administered by J. Safra Serviços de Administração Fiduciária Ltda. - R\$576,438 (R\$488,024 at December 31, 2018).



## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

The amount allocated to investments in non-exclusive investment funds totals R\$1,846,123 (R\$1,635,451 at December 31, 2018).

- (2) Obtained from banks with low credit risk and backed by federal government securities.
- (3) These refer mainly to investments in gold (individual and consolidated) and investments of the foreign subsidiary (consolidated).
- (4) Non-exclusive investment funds are on amount: (i) Bradesco Empresas FICFI Referenciado DI Federal, administered by Banco Bradesco S.A. - R\$10,346 (R\$13,874 at December 31, 2018); (ii) Araucária Renda Fixa FI, administered by Itaú Unibanco S.A. - R\$538,537 (R\$333,693 at December 31, 2018); (iii) Santander Fundo de Investimento Cedro Renda Fixa, administered by Banco Santander (Brasil) S.A. - R\$542,387 (R\$546,500 at December 31, 2018); (iv) Jacarandá Renda Fixa, administered by Votorantim Asset Management DTVM Ltda. - R\$135,479 (R\$126,487 at December 31, 2018); and (v) FI Liquidez Câmara BM&FBOVESPA, administered by Banco B3 S.A. - R\$648,974 (R\$639,297 at December 31, 2018).
- (5) These refer to shares of Bolsa de Comercio de Santiago in the amount of R\$71,638 (R\$81,265 at December 31, 2018); Bolsa Mexicana de Valores - R\$194,199 (R\$158,963 at December 31, 2018); Bolsa de Valores de Colombia - R\$54,576 (R\$52,885 at December 31, 2018) and Bolsa de Valores de Lima - R\$51,985 (R\$51,049 at December 31, 2018) acquired by B3 within its strategy to explore opportunities of partnerships with other stock exchanges.

The government securities are held under the custody of the Special System for Settlement and Custody (SELIC); the investment fund shares are held under the custody of their respective administrators; local shares are held under the custody of B3's Clearinghouse; the shares of Bolsa de Comercio de Santiago, Bolsa Mexicana de Valores, Bolsa de Valores de Lima and Bolsa de Valores de Colombia are held under the custody of BTG Pactual Chile, Mexico, Peru and Colombia, respectively.

Management periodically monitors the outstanding positions and possible risks of impairment of financial assets. Considering the nature of these assets, B3 has no significant impairment history.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
March 31, 2019  
(In thousands of reais, unless otherwise stated)

### c) *Derivative financial instruments*

#### *Fair value hierarchy*

Financial assets and liabilities measured at fair value of B3 are recognized at quoted prices (unadjusted) in active market (Level 1), except for derivative financial instruments together with the principal of the debt issued abroad due to *hedge* accounting, which are classified under Level 2. Trade accounts receivable and payable approximate their book value given their short-term maturities, and the fair values of related parties is equal to their book values.

#### *Derivative financial instruments*

Risk factors - currency and price of share

B3 takes out derivative financial instruments with the exclusive objective to hedge against the risk of exchange rate fluctuations. B3's exposure to exchange rate risk derives from amounts such as principal of foreign debt and its half-yearly interest, investments in foreign stock exchanges and investment in its foreign subsidiaries.

B3 also engages into derivative financial instruments with the purpose of hedging the risk of oscillating B3SA3 stock price. B3's exposure to the risk of price variation is due to the payment of labor charges from the long-term incentive program (ILP).

Management adopts a foreign exchange risk management and share price policy associated with this position, the main objective of which is not to allow significant impacts on P&L arising from fluctuations. B3 adopts hedge accounting for these financial instruments.

#### *Investment in foreign subsidiary (Cetip Lux)*

|   | <u>B3</u>        | <u>Consolidated</u> |
|---|------------------|---------------------|
| <b>Assets</b>                                       |                  |                     |
| Investment in foreign subsidiary                    | 1,321,292        | -                   |
| <b>Liabilities</b>                                  |                  |                     |
| Intercompany loans and loan taken out by subsidiary | (1,850,850)      | (586,748)           |
| <b>Net currency exposure</b>                        | <u>(529,558)</u> | <u>(586,748)</u>    |

In view of the fact that, under the terms of tax legislation, gains or losses arising from the exchange rate variation on investments should not be taken into account in the income and social contribution tax base, a mismatch between long and short positions in foreign currency is required, so that the after-tax P&L is not exposed to exchange rate variation (post-tax hedge).

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

### Cash flow and fair value hedge

At March 31, 2019, the swap consolidated amounts measured at fair value are the following:

| Hedge classification | Hedged item                                 | Hedging instrument       | Notional value                                  | Average interest / Notional value - |               |                      | Fair Value     |                | B3 and Consolidated |                    |                             |                |
|----------------------|---|--------------------------|---|-------------------------------------|---------------|----------------------|----------------|----------------|---------------------|--------------------|-----------------------------|----------------|
|                      |   |                          |   | Assets                              | Liabilities   | Maturity             | Assets         | Liabilities    | Nonfinancial assets | Operating expenses | Financial income (expenses) | Equity         |
| Cash Flow            | Interest Installment - foreign debt (1)     | Swap                     | Assets USD 19,800<br>Liabilities BRL 61,190     | -                                   | 64.50% of CDI | 07/16/2019           | 11,866         | -              | -                   | -                  | 4,285                       | (4,044)        |
| Cash Flow            | Interest Installment - foreign debt (1)     | Swap                     | Assets USD 19,800<br>Liabilities BRL 65,722     | -                                   | CDI -3.24%    | 01/16/2020           | 9,838          | -              | -                   | -                  | (70)                        | 328            |
| Cash Flow            | Interest Installment - foreign debt (1)     | Swap                     | Assets USD 19,800<br>Liabilities BRL 65,756     | -                                   | CDI -3.38%    | 07/16/2020           | 9,865          | -              | -                   | -                  | (93)                        | 293            |
| Cash Flow            | Stock Grant charges (5)                     | Swap                     | Assets BRL 33,182<br>Liabilities                | B3SA3 + earnings                    | 107% of CDI   | Apr/2019 to Mar/2020 | 2,922          | -              | -                   | 1,475              | (456)                       | 909            |
| Cash Flow            | Stock Grant charges (5)                     | Swap                     | Assets BRL 41,082<br>Liabilities                | B3SA3 + earnings                    | 107% of CDI   | Apr/2019 to Mar/2020 | -              | (50)           | -                   | 36                 | (222)                       | 154            |
| Cash Flow            | Stock Grant charges (5)                     | Swap                     | Assets BRL 3,664<br>Liabilities                 | B3SA3 + earnings                    | 107% of CDI   | Apr/2020 to Mar/2021 | 431            | -              | -                   | 212                | (32)                        | 105            |
| Fair Value           | Foreign debt (3)                            | Swap                     | Assets USD 350,000<br>Liabilities BRL 1,108,940 | -                                   | 67.22% do CDI | 07/16/2020           | 125,361        | -              | -                   | -                  | 6,086                       | -              |
| Fair Value           | Foreign debt (3)                            | Swap                     | Assets USD 262,000<br>Liabilities BRL 870,836   | -                                   | CDI -3.36%    | 07/16/2020           | 123,385        | -              | -                   | -                  | 4,556                       | -              |
| Cash Flow            | Shares of Bolsa Mexicana de Valores (4)     | NDF                      | MXN 760,000                                     | 150,556                             |               | 06/12/2019           | -              | (3,235)        | -                   | -                  | -                           | (2,135)        |
| Cash Flow            | Shares of Bolsa de Comércio de Santiago (4) | NDF                      | CLP 11,800,000                                  | 67,661                              |               | 06/12/2019           | -              | (420)          | -                   | -                  | -                           | (277)          |
| Cash Flow            | Certain firm commitments (2)                | Cash in foreign currency | EUR 3,635<br>USD 1,688                          | 21,775                              |               | No maturity          | -              | -              | 13                  | 11                 | -                           | 630            |
|                      |   |                          |   |                                     |               |                      | <b>283,668</b> | <b>(3,705)</b> | <b>13</b>           | <b>1,734</b>       | <b>14,054</b>               | <b>(4,037)</b> |

In this period, hedge had no significant element of inefficiency.

- (1) In September 2017 and March 2018, B3 took out from mostly low credit risk financial institutions with low credit risk swap transactions, in order to hedge the investment the installment of half-yearly interest of Senior Unsecured Notes (Note 9), from currency risk.

## **B3 S.A. - Brasil, Bolsa, Balcão**

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

- (2) In January 2018, B3 recorded a new hedge, allocating part of its cash in foreign currency to hedge the currency risk of certain firm commitments assumed in foreign currencies (cash flow hedge). The cash flows subject to coverage refer to payments to be incurred up to March 31, 2019, regardless of whether the contract terms exceed that date.
- (3) In March 2018, B3 took out from top-tier financial institutions forward swap transactions to promote the rollover of the hedge relating to the principal of the Senior Unsecured Notes.
- (4) In March 2019, B3 took out from mostly low credit risk financial institutions a non-Deliverable Forward (NDF) in order to hedge the investment in the shares of Bolsa Mexicana de Valores and shares of Santiago Stock Exchange from exchange rate variation.

The hedging accounts for approximately 68% of the Mexican peso position referring to the Mexican Stock Exchange shares and approximately 94% of the Chilean peso position referring to the Santiago Stock Exchange shares.

- (5) In January 2019, B3 entered into a new hedging transaction arising from its exposure to the B3SA3 share price variation, aiming to neutralize the impacts arising from the positive variation of the price of these shares in the payment of labor charges derived relating to the long-term incentive program (“ILP”).

The method to determine the fair value, used by B3, consist in determining the future amount based on the conditions of transactions taken out, and then the present value based on current market curves, as disclosed by B3.

### ***d) Financial instruments and risk management***

#### ***Financial risk management and financial investment policy***

B3's policy is for highly liquid financial investments, whose performance is substantially tied to the SELIC/CDI rate, resulting in a significant proportion of federal government securities in its portfolio, purchased directly, via repurchase agreements backed by government securities and also through exclusive and non-exclusive funds. Mostly financial investment have daily liquidity in line with B3's business needs.

The B3 carries out transactions with derivative instruments solely and exclusively for equity hedge purposes.

Acquisition or disposal of investments in shares of Latin America Stock Exchanges, are assessed individually and realized only in accordance with the strategic planning approved by the Board of Directors.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

In addition, B3 has a Corporate Risk Management Policy, whose purpose is to establish principles, guidelines and responsibilities to be observed in the risk management process, so as to allow identification, assessment, treatment, monitoring and communication of operational, technological, market, liquidity, credit, image and socio-environmental risks.

The Risk and Financial Committees assess market, liquidity, credit and systemic risks of the markets managed by B3, with a strategic and structural focus.

### Sensitivity analysis

The table below presents the consolidated net exposure of all financial instruments (assets and liabilities) by market risk factors. At March 31, 2019, significant market risk is represented by the fall in the floating interest rate (CDI/SELIC).

| Exposure to Risk Factors (Consolidated) |                        |            |           |            |           |
|---|------------------------|------------|-----------|------------|-----------|
| Risk fator                              | Risk                   | 03/31/2019 |           | 12/31/2018 |           |
|   |                        | Percentage | Amount    | Percentage | Amount    |
| Floating interest rate                  | Decrease in SELIC rate | 72.36%     | 5,617,305 | 67.39%     | 5,559,562 |
| Floating interest rate                  | CDI increase           | 12.39%     | 961,899   | 17.88%     | 1,474,750 |
| Foreign exchange - USD                  | Higher currency        | 5.79%      | 449,812   | 4.92%      | 405,468   |
| Share price                             | Lower price            | 4.80%      | 372,420   | 4.17%      | 344,174   |
| Foreign Exchange - Other                | Lower currency         | 2.45%      | 190,531   | 1.83%      | 150,742   |
| Inflation                               | Lower inflation rate   | 1.74%      | 135,372   | 1.68%      | 138,475   |
| Fixed interest rate                     | Lower fixed rate       | 0.25%      | 19,591    | 1.94%      | 160,400   |
| Gold                                    | Lower gold price       | 0.22%      | 16,101    | 0.19%      | 15,879    |

The ownership structure at Latin America Stock Exchanges is subject to two risk factors simultaneously: currency and share price.

#### Share price risk

This risk arises from the possibility of fluctuations in the prices of the shares in Latin America Stock Exchanges, which B3 holds in its portfolio and that may affect the amounts involved.

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

| Risk factor                                 | Impact   |          |                   |        |        |
|---|----------|----------|-------------------|--------|--------|
|   | -50%     | -25%     | Probable scenario | +25%   | +50%   |
| Bolsa de Comercio de Santiago shares in BRL | (34,673) | (16,190) | 2,292             | 20,775 | 39,257 |
| Share price in CLP                          | 1,290    | 1,935    | 2,580             | 3,225  | 3,870  |
| Bolsa de Mexicana de Valores shares in BRL  | (96,761) | (48,042) | 677               | 49,396 | 98,115 |
| Share price in MXN                          | 20.15    | 30.23    | 40.30             | 50.38  | 60.45  |
| Bolsa de Valores da Colombia shares in BRL  | (27,678) | (14,229) | (780)             | 12,669 | 26,118 |
| Share price in COP                          | 5,944    | 8,916    | 11,888            | 14,860 | 17,832 |
| Bolsa de Valores de Lima shares in BRL      | (26,036) | (13,062) | (88)              | 12,887 | 25,861 |
| Share price in PEN                          | 1.49     | 2.23     | 2.97              | 3.71   | 4.46   |

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
March 31, 2019  
(In thousands of reais, unless otherwise stated)

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

### *Interest rate risk*

This risk arises from the possibility of B3 incur losses due to fluctuations in interest rates, affecting its assets and liabilities, resulting in effects on its Financial result.

- Floating-rate position

As a financial investment policy and considering the need for immediate liquidity with the least possible impact from interest rate fluctuations, B3 maintains its financial assets and liabilities substantially indexed to floating interest rates.

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

| Risk factor | Impact  |          |                   |          |          |
|-------------|---------|----------|-------------------|----------|----------|
|             | -50%    | -25%     | Probable scenario | +25%     | +50%     |
| CDI         | (7,095) | (10,580) | (14,025)          | (17,432) | (20,800) |
| CDI rate    | 3.22%   | 4.83%    | 6.44%             | 8.05%    | 9.66%    |
| SELIC       | 45,062  | 67,199   | 89,082            | 110,719  | 132,115  |
| SELIC rate  | 3.22%   | 4.83%    | 6.44%             | 8.05%    | 9.66%    |

- Fixed-rate position

B3 has exposure in fixed rates in a small part of its financial investments and securities. However, in terms of percentage, their effects on the portfolio are not considered material.

### *Currency risk*

Currency risk refers to variations in foreign exchange rates that may cause unexpected losses to B3.

In addition to the amounts payable and receivable in foreign currencies, including interest payments on the senior unsecured notes in the next six-month period, B3 has own funds abroad, and also shareholding interest in Latin America Stock Exchanges.

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

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

| Risk factor           | Impact    |          |                   |         |         |
|-----------------------|-----------|----------|-------------------|---------|---------|
|                       | -50%      | -25%     | Probable scenario | +25%    | +50%    |
| USD                   | (194,602) | (94,845) | 4,913             | 104,671 | 204,429 |
| Exchange rate USD/BRL | 1.9727    | 2.9590   | 3.9453            | 4.9316  | 5.9180  |
| MXN                   | (30,901)  | (15,549) | (196)             | 15,156  | 30,508  |
| Exchange rate MXN/BRL | 0.1002    | 0.1502   | 0.2003            | 0.2504  | 0.3005  |
| COP                   | (27,266)  | (13,611) | 44                | 13,699  | 27,355  |
| Exchange rate COP/BRL | 0.0006    | 0.0009   | 0.0012            | 0.0015  | 0.0018  |
| PEN                   | (26,557)  | (13,843) | (1,130)           | 11,584  | 24,298  |
| Exchange rate PEN/BRL | 0.5739    | 0.8608   | 1.1477            | 1.4346  | 1.7216  |

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

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

### Liquidity risk

Liquidity risk arises from the cash need related to the obligations assumed and as a form of management, and B3 constantly evaluates its cash flows, thus ensuring liquidity to fulfill all its obligations. The following table shows the main liability financial instruments of B3 by maturity (undiscounted cash flows):

|                              | No maturity      | Within 1 year    | From 1 to 2 years | Between 2 and 5 years | Above 5 years |
|------------------------------|------------------|------------------|-------------------|-----------------------|---------------|
| Collaterals for transactions | 2,817,978        | -                | -                 | -                     | -             |
| Debt issued abroad           | -                | 154,309          | 77,155            | 2,384,780             | -             |
| Swap (1)                     | -                | 13,967           | 163,178           | -                     | -             |
| NDFs (2)                     | -                | 10,194           | -                 | -                     | -             |
| Debentures                   | -                | 1,598,593        | -                 | -                     | -             |
| Loan in dollars              | -                | 215,352          | 396,556           | -                     | -             |
| FINEP loan                   | -                | 4,591            | 3,012             | 7,268                 | 4,978         |
|                              | <b>2,817,978</b> | <b>1,997,006</b> | <b>639,901</b>    | <b>2,392,048</b>      | <b>4,978</b>  |

(1) For the adjustment calculation, CDI curve was used from March 31, 2019 up to the swap settlement date, the dollar at the closing of month (PTAX) was also used, rate disclosed by the Central Bank of Brazil.

(2) NDFs take into consideration the amount to be settled on contracted transactions. For calculating the adjustment, the sales rates of the respective currencies were disclosed by the Central Bank of Brazil on the last business day of the month.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

### *Credit risk*

The main credit risk of B3 arises from its financial investments. As a way of managing this risk, B3 has a financial investment policy that focuses mainly on investments in Brazilian federal government securities. Currently approximately 99% of financial investments is in connection with federal government securities with ratings set by Standard & Poor's and Moody's of "BB-" and "Ba2", respectively, for long-term issues in local currency. The counterparties of Swaps and NDFs taken out as hedging transactions are substantially low credit risk banks.

### **Capital management**

B3's objectives in managing its capital are to safeguard its ability to continue as a going concern in order to provide return for its shareholders and for other stakeholders, as well as to maintain an optimal target capital structure to reduce the cost of capital. In order to maintain or adjust its capital structure, B3 may revise its practices for payment of dividends, return capital to shareholders, raise loans and issue marketable securities in the financial and capital markets, among others.

At March 31, 2019, the consolidated position of loans, financing and debentures added to the guarantees in operations and earnings and rights on securities under custody are R\$2,594,589 lower when compared with the consolidated position of cash and cash equivalents and financial investments.

|  | <b>Consolidated</b> |                   |
|--|---------------------|-------------------|
|  | <b>03/31/2019</b>   | <b>12/31/2018</b> |
| Cash and cash equivalents/financial investments                      | 9,733,913           | 8,572,467         |
| Loans and financing, debentures and derivative financial instruments | (4,262,850)         | (4,234,423)       |
| Collateral for transactions  | (2,817,978)         | (2,110,933)       |
| Earnings and rights on securities under custody                      | (58,496)            | (59,850)          |
|  | <b>2,594,589</b>    | <b>2,167,261</b>  |

## **5. Trade accounts receivable**

Breakdown of accounts receivable is as follows:

| <b>Description</b>                      | <b>B3</b>         |                   | <b>Consolidated</b> |                   |
|---|-------------------|-------------------|---------------------|-------------------|
|   | <b>03/31/2019</b> | <b>12/31/2018</b> | <b>03/31/2019</b>   | <b>12/31/2018</b> |
| Fees                                    | 44,893            | 30,439            | 44,893              | 30,439            |
| Trust and custodian fees                | 97,319            | 134,553           | 97,319              | 134,553           |
| Vendors - Signal broadcasting           | 28,422            | 26,930            | 31,954              | 31,747            |
| Database management                     | 42,309            | 33,869            | 42,309              | 33,869            |
| Data processing                         | 46,998            | 42,732            | 46,998              | 42,732            |
| Annual fees                             | 5,936             | 2,014             | 5,936               | 2,014             |
| Other accounts receivable               | 54,439            | 53,639            | 55,762              | 54,266            |
| <b>Subtotal</b>                         | <b>320,316</b>    | <b>324,176</b>    | <b>325,171</b>      | <b>329,620</b>    |
| Estimated losses on accounts receivable | (7,714)           | (5,798)           | (7,714)             | (5,798)           |
| <b>Total</b>                            | <b>312,602</b>    | <b>318,378</b>    | <b>317,457</b>      | <b>323,822</b>    |



## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

The amounts presented above are primarily denominated in Brazilian reais and approximately 90% falls due within 90 days. At March 31, 2019, the amounts overdue above 90 days totaled R\$3,471 (R\$3,465 at December 31, 2018) at B3 and in the consolidated.

Changes in estimated losses on accounts receivable:

|                                     | <b>B3 and<br/>Consolidated</b> |
|-------------------------------------|--------------------------------|
| <b>Balance at December 31, 2018</b> | <b>5,798</b>                   |
| Additions                           | 4,454                          |
| Reversals                           | (2,179)                        |
| Write-offs                          | (359)                          |
| <b>Balance at March 31, 2019</b>    | <b>7,714</b>                   |

## 6. Investments

### a) *Investments in subsidiaries and associates*

Investments in subsidiaries and associates comprise the following:

#### ***Subsidiaries/Associates***

| <b>Companies</b>                          | <b>Equity</b> | <b>Total shares</b> | <b>Adjusted P&amp;L</b> | <b>% - Interest held</b> | <b>Investment at 03/31/2019</b> | <b>Investment at 12/31/2018</b> | <b>Equity in income of investees in 2019</b> | <b>Equity in income of investees in 2018</b> |
|---|---------------|---------------------|-------------------------|--------------------------|---------------------------------|---------------------------------|--|--|
| <b>Subsidiaries</b>                       |               |                     |                         |                          |                                 |                                 |  |  |
| Banco B3 S.A                              | 98,332        | 24,000              | 4,106                   | 100                      | 98,332                          | 94,234                          | 4,106  | 1,421  |
| Bolsa de Valores do Rio de Janeiro - BVRJ | 86,179        | 115                 | 147                     | 86.95                    | 74,933                          | 74,805                          | 128  | 85   |
| BM&F (USA) Inc.                           | -             | -                   | -                       | -                        | -                               | -                               | -  | (1,018)                                      |
| BM&FBOVESPA (UK) Ltd.                     | 1,809         | 1,000               | 1                       | 100                      | 1,809                           | 1,766                           | 1  | (118)  |
| B3 Inova USA LLC                          | 11,877        | -                   | 186                     | 100                      | 11,877                          | 9,046                           | 186  | 28   |
| CETIP Info Tecnologia S.A.                | 101,756       | 800                 | 8,973                   | 100                      | 101,756                         | 92,783                          | 8,973  | 7,395  |
| CETIP Lux S.à.r.l.                        | 1,321,292     | -                   | 17,150                  | 100                      | 1,321,292                       | 1,304,142                       | 17,150                                       | 13,875                                       |
| BLK (Note 2(d))                           | 477           | -                   | (403)                   | 75                       | 13,821                          | -                               | (302)  | -  |
| <b>Associates</b>                         |               |                     |                         |                          |                                 |                                 |  |  |
| RTM (1)                                   | 60,979        | 2,020,000           | 7,475                   | 20                       | 21,005                          | 19,510                          | 1,495  | 1,005  |
| <b>Total</b>                              |               |                     |                         |                          | <b>1,644,825</b>                | <b>1,596,286</b>                | <b>31,737</b>                                | <b>22,673</b>                                |

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

- (1) B3 holds 20% interest in associate RTM, which is a private communication network created especially for the financial sector, connecting approximately 500 institutions and 25 information and service providers in a single operational environment. RTM manages data, voice and image services and develops specific solutions for users in the financial sector. According to the business combination, an increase was identified in the fair value of the investment in associate RTM in the amount of R\$8,809.

BM&FBOVESPA BRV LLC stated no balance in the period.

Summary of key financial information of subsidiaries and associates at March 31, 2019:

| Description | Subsidiaries  |   |                       |                  |                            |                    |       | Associate |        |
|-------------|---------------|---|-----------------------|------------------|----------------------------|--------------------|-------|-----------|--------|
|             | Banco B3 S.A. | Bolsa de Valores do Rio de Janeiro - BVRJ | BM&FBOVESPA (UK) Ltd. | B3 Inova USA LLC | CETIP Info Tecnologia S.A. | CETIP Lux S.à.r.l. | BLK   | Blank     | RTM    |
| Assets      | 761,130       | 95,442                                    | 2,545                 | 11,877           | 104,631                    | 1,911,239          | 3,198 | 224       | 70,682 |
| Liabilities | 662,798       | 9,263                                     | 736                   | -                | 2,875                      | 589,947            | 2,721 | 7         | 9,703  |
| Revenues    | 12,075        | 1,434                                     | 600                   | -                | 10,966                     | -                  | 556   | 16        | 24,896 |

Changes in Investments:

| Investments                          | Subsidiaries  |   |                       |                  |                            |                    |               | Associate     | Total            |
|--------------------------------------|---------------|---|-----------------------|------------------|----------------------------|--------------------|---------------|---------------|------------------|
|                                      | Banco B3 S.A. | Bolsa de Valores do Rio de Janeiro - BVRJ | BM&FBOVESPA (UK) Ltd. | B3 Inova USA LLC | CETIP Info Tecnologia S.A. | CETIP Lux S.à.r.l. | BLK           | RTM           |                  |
| <b>Balances at December 31, 2018</b> | <b>94,234</b> | <b>74,805</b>                             | <b>1,766</b>          | <b>9,046</b>     | <b>92,783</b>              | <b>1,304,142</b>   | <b>-</b>      | <b>19,510</b> | <b>1,596,286</b> |
| Equity in income of investees        | 4,106         | 128                                       | 1                     | 186              | 8,973                      | 17,150             | (302)         | 1,495         | 31,737           |
| Exchange rate variation              | -             | -   | 42                    | 125              | -                          | -                  | -             | -             | 167              |
| Comprehensive income of subsidiary   | (8)           | -   | -                     | -                | -                          | -                  | -             | -             | (8)              |
| Acquisition of subsidiary            | -             | -   | -                     | -                | -                          | -                  | 13,395        | -             | 13,395           |
| Capital Increase                     | -             | -   | -                     | 2,520            | -                          | -                  | 600           | -             | 3,120            |
| Recognition of stock grant plan      | -             | -   | -                     | -                | -                          | -                  | 128           | -             | 128              |
| <b>Balances at March 31, 2019</b>    | <b>98,332</b> | <b>74,933</b>                             | <b>1,809</b>          | <b>11,877</b>    | <b>101,756</b>             | <b>1,321,292</b>   | <b>13,821</b> | <b>21,005</b> | <b>1,644,825</b> |

### b) Investment properties

This category comprises properties owned by subsidiary Bolsa de Valores do Rio de Janeiro (BVRJ) for rent, which are carried at cost and depreciated at the rate of 4% p.a. There were no additions or write-offs for the period, and depreciation totaled R\$380 (R\$379 at March 31, 2018). Rental income from these properties for the period ended March 31, 2019 amounted to R\$1,434 (R\$1,484 at March 31, 2018).

At March 31, 2019, cost less accumulated depreciation of this property amounted to R\$25,701 (R\$26,081 at March 31, 2018) and fair value estimated by management amounted to R\$112,025 calculated considering the average square-meter price for sale of commercial properties in the city of Rio de Janeiro, as disclosed in FIPEZAP table.

B3 has no restrictions as to the sale of its investment properties.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

### 7. Property and equipment

|  | B3             |                        |                                |               |               |                          |                |
|--|----------------|------------------------|--------------------------------|---------------|---------------|--------------------------|----------------|
| Changes                                  | Buildings      | Furniture and fixtures | Computer devices and equipment | Facilities    | Other         | Construction in progress | Total          |
| <b>Balances at December 31, 2018</b>     | <b>288,374</b> | <b>21,631</b>          | <b>235,911</b>                 | <b>31,778</b> | <b>29,521</b> | <b>18,383</b>            | <b>625,598</b> |
| Additions                                | 658            | 868                    | 2,253                          | 439           | 4,107         | 1,832                    | 10,157         |
| Adoption of IFRS 16/CPC 06(R2)           | 17,739         | -                      | -                              | -             | -             | -                        | 17,739         |
| Write-offs                               | (138)          | (27)                   | (13)                           | -             | -             | -                        | (178)          |
| Transfers                                | 367            | -                      | 375                            | -             | 3             | (745)                    | -              |
| Depreciation recapitalized               | -              | -                      | (227)                          | -             | -             | -                        | (227)          |
| Depreciation                             | (9,293)        | (1,429)                | (13,584)                       | (1,843)       | (991)         | -                        | (27,140)       |
| <b>Balances at March 31, 2019</b>        | <b>297,707</b> | <b>21,043</b>          | <b>224,715</b>                 | <b>30,374</b> | <b>32,640</b> | <b>19,470</b>            | <b>625,949</b> |
| <b>At March 31, 2019</b>                 |                |                        |                                |               |               |                          |                |
| Cost                                     | 454,730        | 62,403                 | 608,411                        | 71,808        | 79,227        | 19,470                   | 1,296,049      |
| Accumulated depreciation                 | (157,023)      | (41,360)               | (383,696)                      | (41,434)      | (46,587)      | -                        | (670,100)      |
| <b>Net book balance</b>                  | <b>297,707</b> | <b>21,043</b>          | <b>224,715</b>                 | <b>30,374</b> | <b>32,640</b> | <b>19,470</b>            | <b>625,949</b> |
| <b>Annual average depreciation rates</b> | <b>9.3%</b>    | <b>13.8%</b>           | <b>14.9%</b>                   | <b>10.8%</b>  | <b>12.4%</b>  |                          |                |

  

|  | Consolidated   |                        |                                |               |               |                          |                |
|--|----------------|------------------------|--------------------------------|---------------|---------------|--------------------------|----------------|
| Changes                                  | Buildings      | Furniture and fixtures | Computer devices and equipment | Facilities    | Other         | Construction in progress | Total          |
| <b>Balances at December 31, 2018</b>     | <b>288,374</b> | <b>21,631</b>          | <b>235,911</b>                 | <b>31,802</b> | <b>31,224</b> | <b>18,383</b>            | <b>627,325</b> |
| Additions                                | 658            | 868                    | 2,256                          | 439           | 4,108         | 1,832                    | 10,161         |
| Adoption of IFRS 16 / CPC 06(R2)         | 17,739         | -                      | -                              | -             | -             | -                        | 17,739         |
| Write-offs                               | (138)          | (27)                   | (16)                           | -             | -             | -                        | (181)          |
| Transfers                                | 367            | -                      | 375                            | -             | 3             | (745)                    | -              |
| Depreciation recapitalized               | -              | -                      | (227)                          | -             | -             | -                        | (227)          |
| Depreciation                             | (9,293)        | (1,433)                | (13,598)                       | (1,845)       | (991)         | -                        | (27,160)       |
| Acquisition of subsidiary                | -              | 181                    | 1,271                          | 62            | 50            | -                        | 1,564          |
| <b>Balances at March 31, 2019</b>        | <b>297,707</b> | <b>21,220</b>          | <b>225,972</b>                 | <b>30,458</b> | <b>34,394</b> | <b>19,470</b>            | <b>629,221</b> |
| <b>At March 31, 2019</b>                 |                |                        |                                |               |               |                          |                |
| Cost                                     | 454,730        | 63,119                 | 611,328                        | 73,060        | 81,025        | 19,470                   | 1,302,732      |
| Accumulated depreciation                 | (157,023)      | (41,899)               | (385,356)                      | (42,602)      | (46,631)      | -                        | (673,511)      |
| <b>Net book balance</b>                  | <b>297,707</b> | <b>21,220</b>          | <b>225,972</b>                 | <b>30,458</b> | <b>34,394</b> | <b>19,470</b>            | <b>629,221</b> |
| <b>Annual average depreciation rates</b> | <b>9.3%</b>    | <b>13.8%</b>           | <b>14.9%</b>                   | <b>10.8%</b>  | <b>12.4%</b>  |                          |                |

B3 has no restrictions on its properties, except on those pledged as securities for legal claims, recorded for some R\$88,472 (R\$91,156 at December 31, 2018).

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

### 8. Intangible assets

B3

| Changes                                  | Goodwill          | Cost of        | Software         | Software       | Contractual   | Trademarks    | Total             |
|--|-------------------|----------------|------------------|----------------|---------------|---------------|-------------------|
|  |                   | software       | internally       |                |               |               |                   |
|  |                   | development    | generated        | internally     | relations     |               |                   |
|  |                   | internally     | internally       | generated      |               |               |                   |
|  |                   | generated      | completed        | – projects     |               |               |                   |
|  |                   |                | completed        | completed      |               |               |                   |
| <b>Balances at December 31, 2018</b>     | <b>22,338,799</b> | <b>162,815</b> | <b>4,413,851</b> | <b>96,870</b>  | <b>34,552</b> | <b>87,143</b> | <b>27,134,030</b> |
| Additions                                | -                 | 18,680         | -                | 4,904          | -             | -             | 23,584            |
| Transfers                                | -                 | (14,161)       | 10,177           | 3,984          | -             | -             | -                 |
| Amortization                             | -                 | -              | (204,358)        | (5,707)        | (2,468)       | (17,429)      | (229,962)         |
| Other                                    | -                 | 255            | -                | (29)           | -             | -             | 226               |
| <b>Balances at March 31, 2019</b>        | <b>22,338,799</b> | <b>167,589</b> | <b>4,219,670</b> | <b>100,022</b> | <b>32,084</b> | <b>69,714</b> | <b>26,927,878</b> |
| <b>At March 31, 2019</b>                 |                   |                |                  |                |               |               |                   |
| Cost                                     | 22,338,799        | 167,589        | 6,083,002        | 545,088        | 54,221        | 190,130       | 29,378,829        |
| Accumulated amortization                 | -                 | -              | (1,863,332)      | (443,066)      | (22,137)      | (120,416)     | (2,450,951)       |
| <b>Net book balance</b>                  | <b>22,338,799</b> | <b>167,589</b> | <b>4,219,670</b> | <b>100,022</b> | <b>32,084</b> | <b>69,714</b> | <b>26,927,878</b> |
| <b>Annual average amortization rates</b> |                   |                | <b>13.4%</b>     | <b>10.5%</b>   | <b>18.2%</b>  | <b>36.7%</b>  |                   |

Consolidated

| Changes                                  | Goodwill          | Cost of        | Software         | Software       | Contractual   | Trademarks    | Total             |
|--|-------------------|----------------|------------------|----------------|---------------|---------------|-------------------|
|  |                   | software       | internally       |                |               |               |                   |
|  |                   | development    | generated        | internally     | relations     |               |                   |
|  |                   | internally     | internally       | generated      |               |               |                   |
|  |                   | generated      | completed        | – projects     |               |               |                   |
|  |                   |                | completed        | completed      |               |               |                   |
| <b>Balances at December 31, 2018</b>     | <b>22,338,799</b> | <b>163,787</b> | <b>4,413,851</b> | <b>96,870</b>  | <b>34,552</b> | <b>87,145</b> | <b>27,135,004</b> |
| Additions                                | -                 | 18,680         | 57               | 4,904          | -             | -             | 23,641            |
| Transfers                                | -                 | (15,133)       | 11,149           | 3,984          | -             | -             | -                 |
| Amortization                             | -                 | -              | (204,418)        | (5,707)        | (2,468)       | (17,429)      | (230,022)         |
| Acquisition of subsidiary                | 7,937             | -              | 11,020           | -              | -             | 4             | 18,961            |
| Other                                    | -                 | 255            | -                | (29)           | -             | -             | 226               |
| <b>Balances at March 31, 2019</b>        | <b>22,346,736</b> | <b>167,589</b> | <b>4,231,659</b> | <b>100,022</b> | <b>32,084</b> | <b>69,720</b> | <b>26,947,810</b> |
| <b>At March 31, 2019</b>                 |                   |                |                  |                |               |               |                   |
| Cost                                     | 22,346,736        | 167,589        | 6,095,909        | 545,088        | 54,221        | 190,136       | 29,399,679        |
| Accumulated amortization                 | -                 | -              | (1,864,250)      | (445,066)      | (22,137)      | (120,416)     | (2,451,869)       |
| <b>Net book balance</b>                  | <b>22,346,736</b> | <b>167,589</b> | <b>4,231,659</b> | <b>100,022</b> | <b>32,084</b> | <b>69,720</b> | <b>26,947,810</b> |
| <b>Annual average amortization rates</b> |                   |                | <b>13.4%</b>     | <b>10.5%</b>   | <b>18.2%</b>  | <b>36.7%</b>  |                   |

## **B3 S.A. - Brasil, Bolsa, Balcão**

Notes to quarterly information -- Continued  
March 31, 2019  
(In thousands of reais, unless otherwise stated)

### ***Goodwill***

#### *Bovespa Holding goodwill*

Goodwill from acquisition of Bovespa Holding in 2008, based on the expected future profitability and supported by an economic and financial valuation report of the investment amounted to R\$16,064,309. At December 31, 2015, the test supported by the valuation report at that time prepared by independent experts indicated impairment of Bovespa Holding in the amount of R\$1,662,681 and, as a result, the carrying amount of goodwill was reduced to R\$14,401,628. At March 31, 2019, management reviewed significant variables of future cash flow projections of the cash-generating unit Bovespa Holding and adherence to the results achieved up to the reporting date and identified no need to adjust the goodwill.

The new revenue segmentation of B3 did not change the criteria for allocating goodwill.

#### *CETIP goodwill*

The goodwill generated on the acquisition of CETIP in March 2017, in the amount of R\$7,937,171 is based on the expected future profitability and on the Purchase Price Allocation (PPA) report. At March 31, 2019, management reviewed significant variables of future cash flow projections of the cash-generating units TVM and FIN and adherence to the results achieved up to the reporting date and identified no need to adjust the goodwill.

The new revenue segmentation of B3 did not change the criteria for allocating goodwill.

#### *BLK goodwill*

Goodwill from acquisition of BLK in March 2019, amounting to R\$7,937 will be based on expected future profitability, supported by an economic and financial valuation report of the investment (Purchase Price Allocation - PPA), which is under preparation.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

### 9. Loans and financing

|   | <b>B3</b>               |                   |   |                        |                       |
|---|-------------------------|-------------------|---|------------------------|-----------------------|
|   | <b>Foreign<br/>debt</b> | <b>Debentures</b> | <b>Loans<br/>involving<br/>subsidiaries</b> | <b>Other<br/>loans</b> | <b>Total<br/>debt</b> |
| <b>Balance at December 31, 2018</b>         | <b>2,402,529</b>        | <b>1,504,766</b>  | <b>1,834,399</b>                            | <b>15,574</b>          | <b>5,757,268</b>      |
| Additions/Appropriation of interest         | 37,401                  | 23,782            | 19,229                                      | 640                    | 81,052                |
| Leases                                      | -                       | -                 | -   | 18,879                 | 18,879                |
| Amortization of borrowing costs             | 353                     | 676               | -   | 27                     | 1,056                 |
| Amortization of interest                    | (73,368)                | -                 | (12,883)                                    | (315)                  | (86,566)              |
| Amortization of principal                   | -                       | -                 | -   | (1,632)                | (1,632)               |
| Exchange rate variation                     | -                       | -                 | 10,105                                      | -                      | 10,105                |
| Exchange rate variation - Fair value hedge  | 13,403                  | -                 | -   | -                      | 13,403                |
| Exchange rate variation - Cash flow hedge   | (2,572)                 | -                 | -   | -                      | (2,572)               |
| Present value adjustment - Fair value hedge | 15,513                  | -                 | -   | -                      | 15,513                |
| <b>Opening balance at March 31, 2019</b>    | <b>2,393,259</b>        | <b>1,529,224</b>  | <b>1,850,850</b>                            | <b>33,173</b>          | <b>5,806,506</b>      |
| Current                                     | 31,719                  | 1,529,224         | 1,606,727                                   | 5,459                  | 3,173,129             |
| Noncurrent                                  | 2,361,540               | -                 | 244,123                                     | 27,714                 | 2,633,377             |

|   | <b>Consolidated</b>     |                   |   |                        |                       |
|---|-------------------------|-------------------|---|------------------------|-----------------------|
|   | <b>Foreign<br/>debt</b> | <b>Debentures</b> | <b>Loans<br/>involving<br/>subsidiaries</b> | <b>Other<br/>loans</b> | <b>Total<br/>debt</b> |
| <b>Balance at December 31, 2018</b>         | <b>2,402,529</b>        | <b>1,504,766</b>  | <b>586,290</b>                              | <b>15,574</b>          | <b>4,509,159</b>      |
| Additions/Appropriation of interest         | 37,401                  | 23,782            | 5,965                                       | 644                    | 67,792                |
| Leases                                      | -                       | -                 | -   | 18,879                 | 18,879                |
| Amortization of borrowing costs             | 353                     | 676               | -   | 27                     | 1,056                 |
| Amortization of interest                    | (73,368)                | -                 | (8,792)                                     | (315)                  | (82,475)              |
| Amortization of principal                   | -                       | -                 | -   | (1,632)                | (1,632)               |
| Exchange rate variation                     | -                       | -                 | 3,285                                       | -                      | 3,285                 |
| Exchange rate variation - Fair value hedge  | 13,403                  | -                 | -   | -                      | 13,403                |
| Exchange rate variation - Cash flow hedge   | (2,572)                 | -                 | -   | -                      | (2,572)               |
| Present value adjustment - Fair value hedge | 15,513                  | -                 | -   | -                      | 15,513                |
| Acquisition of subsidiary                   | -                       | -                 | -   | 405                    | 405                   |
| <b>Opening balance at March 31, 2019</b>    | <b>2,393,259</b>        | <b>1,529,224</b>  | <b>586,748</b>                              | <b>33,582</b>          | <b>4,542,813</b>      |
| Current                                     | 31,719                  | 1,529,224         | 197,078                                     | 5,634                  | 1,763,655             |
| Noncurrent                                  | 2,361,540               | -                 | 389,670                                     | 27,948                 | 2,779,158             |

#### **Debt issued abroad**

With the adoption of the fair value hedge accounting in March 2016 (Note 4 (c)), the principal amount of debt securities issued abroad in 2010 are now measured at fair value. The restated loan included the amounts to R\$31,719 (R\$70,257 at December 31, 2018), referring to half-yearly interest incurred until the reporting date. This transaction will mature on July 16, 2020.

## **B3 S.A. - Brasil, Bolsa, Balcão**

Notes to quarterly information -- Continued  
March 31, 2019  
(In thousands of reais, unless otherwise stated)

The market value of securities, obtained from Bloomberg, considers principal and interest, and amounts to R\$2,442,635 at March 31, 2019 (R\$2,417,382 at December 31, 2018).

### ***Debentures***

|                                | <u>Contract rate</u> | <u>Number</u> | <u>Unit par value in R\$</u> | <u>Total issuance</u> |
|--------------------------------|----------------------|---------------|------------------------------|-----------------------|
| First issuance (single series) | 104.25% DI           | 3,000,000     | 1,000.00                     | 3,000,000             |

The debentures yield interest equivalent to 104.25% of the DI (Interbank Deposit) Rate with amortization of principal in equal installments in the 24th and 36th months, and semiannual payment of interest on the 1st of June and December each year, with the first payment on June 1, 2017 and the last on December 2, 2019.

According to the trustee, the market value of the securities, considering the principal plus interest, is R\$1,531,110 at March 31, 2019 (R\$1,507,330 at December 31, 2018).

### ***Loans involving subsidiary CETIP Lux***

The loan agreements have been executed for a weighted average term of three years, with amortization of principal in September 2019 and December 2020, for US\$404,800 and US\$56,610 respectively. The weighted interest rate of the loan is some 4.50% per annum, with payment of interest on a half-yearly basis or upon maturity of the principal, depending on the agreement.

### ***Bank loans***

During the exercises of 2014 and 2016, CETIP Lux raised bank loans amounting to US\$100,000 and US\$50,000 respectively referred to as Cetip Lux I and Cetip Lux II backed by a B3 fiduciary guarantee.

The loan referred to as CETIP Lux I has term of four years, with amortization of US\$50,000 of the principal amount in August 2017 and amortization of the remaining balance in August 2018. The interest rate of the loan was 2.57% per annum and quarterly payments of interest.

In August 2017, the loan maturity was renegotiated and extended to August 2020, with the quarterly payments of interest at a rate of 3.6% per year.

The loan agreement establishes that Cetip Lux must have a minimum equity throughout the life of the agreement; otherwise it may lead to its early termination. The clause has been complied with during the quarter.

The loan referred to as CETIP Lux II has term of three years, with amortization of principal in September 2019. The interest rate of the loan is approximately 5.5% per annum and half-yearly payments of interest. The loan agreement establishes certain covenants that, in case of violation by CETIP Lux, may result in the early termination of the loan. The clause has been complied with during the quarter.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
March 31, 2019  
(In thousands of reais, unless otherwise stated)

### 10. Other obligations

|   | <b>B3</b>         |                   | <b>Consolidated</b> |                   |
|---|-------------------|-------------------|---------------------|-------------------|
|   | <b>03/31/2019</b> | <b>12/31/2018</b> | <b>03/31/2019</b>   | <b>12/31/2018</b> |
| <b>Current</b>                              |                   |                   |                     |                   |
| Repurchase agreements (1)                   | -                 | -                 | 346,360             | 333,554           |
| Demand deposits (2)                         | -                 | -                 | 255,341             | 329,955           |
| Synergy transfer                            | 31,242            | 23,296            | 31,242              | 23,296            |
| Amounts to be transferred - Direct Treasury | 24,429            | 19,828            | 24,429              | 19,828            |
| Payables – CME/ICE                          | 20,247            | 4,142             | 20,247              | 4,142             |
| Other                                       | 34,362            | 27,987            | 72,156              | 33,058            |
| <b>Total</b>                                | <b>110,280</b>    | <b>75,253</b>     | <b>749,775</b>      | <b>743,833</b>    |
| <b>Noncurrent</b>                           |                   |                   |                     |                   |
| Payables – CME                              | 10,837            | 27,225            | 10,837              | 27,225            |
| Others                                      | -                 | -                 | 1,041               | -                 |
| <b>Total</b>                                | <b>10,837</b>     | <b>27,225</b>     | <b>11,878</b>       | <b>27,225</b>     |

- (1) These refer to open market funding made by Banco B3, comprising repurchase agreements maturing on April 1, 2019 (2018 January 2, 2019) and backed by Financial Treasury Bills (LFT), National Treasury Bills (LTN), and National Treasury Notes - series B and F.
- (2) These refer to demand deposits held by legal entities at Banco B3 with the sole purpose of settlement of clearing operations held within B3 and the Special System for Settlement and Custody (SELIC), pursuant to BACEN Circular Letter No. 3196 of July 21, 2005.

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

#### a) *Contingent assets*

B3 has no contingent assets recognized in its balance sheet and, at present, no lawsuits which are expected to give rise to significant future gains.

#### b) *Provisions for tax, civil, and labor contingencies*

B3 and its subsidiaries are defendants in a number of legal and administrative proceedings involving labor, tax and civil matters arising in the ordinary course of business.

The legal and administrative proceedings are classified by their likelihood of loss (probable, possible or remote), based on the assessment by B3's legal department and external legal advisors, using parameters such as previous legal decisions and the history of loss in similar cases.



## **B3 S.A. - Brasil, Bolsa, Balcão**

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

The proceedings assessed as probable loss are mostly comprised as follows:

- Labor claims mostly relate to claims filed by former employees of B3 and employees of outsourced service providers, on account of alleged noncompliance with labor legislation;
- Civil proceedings mainly relate to aspects of civil liability of B3 and its subsidiaries, as well as to the cancellation of (i) units of interest of former members of the then *Associação CETIP*; and (ii) securities of former member of the then *Associação BM&F*; and
- Tax proceedings for which provisions were set up mostly relate to PIS and COFINS levied on (i) B3 revenues and (ii) receipt of interest on equity.

### **c) *Legal obligations***

These are represented by three groups of lawsuits in which B3 and its subsidiaries claim (i) non-levy of additional social security contribution on payroll and payments to self-employed professionals; (ii) the unconstitutionality of the broadened COFINS tax base by reference to Law No. 9718; and (iii) non-levy of ISS on the activity of permanence, registration of securities and other services.

### **d) *Other provisions***

B3 has contracts that provide for the payment of attorneys' success fees arising from tax and civil proceedings, in which B3 figures as defendant. Within its best estimates, B3 determined and provisioned the amounts for which it understands that there is likelihood of future disbursement, related to attorneys' success fees from proceedings whose likelihood of loss is assessed as possible and remote.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

### e) *Changes in balances*

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

|                                      |                |               |                          |               |                         | <b>B3</b>      |
|--------------------------------------|----------------|---------------|--------------------------|---------------|-------------------------|----------------|
|                                      | <u>Civil</u>   | <u>Labor</u>  | <u>Legal obligations</u> | <u>Tax</u>    | <u>Other provisions</u> | <u>Total</u>   |
| <b>Balances at December 31, 2018</b> | <b>427,980</b> | <b>32,808</b> | <b>164,452</b>           | <b>24,318</b> | <b>64,587</b>           | <b>714,145</b> |
| Provisions                           | -              | 1,046         | 2,245                    | -             | 619                     | 3,910          |
| Provision expenditure                | -              | (2,345)       | -                        | -             | -                       | (2,345)        |
| Reversal of provisions               | -              | (812)         | -                        | -             | -                       | (812)          |
| Reassessment of risks                | 28,210         | 2,586         | -                        | -             | -                       | 30,796         |
| Monetary restatement                 | 9,321          | 782           | 2,451                    | 176           | 505                     | 13,235         |
| <b>Balances at March 31, 2019</b>    | <b>465,511</b> | <b>34,065</b> | <b>169,148</b>           | <b>24,494</b> | <b>65,711</b>           | <b>758,929</b> |

|                                      |                |               |                          |               |                         | <b>Consolidated</b> |
|--------------------------------------|----------------|---------------|--------------------------|---------------|-------------------------|---------------------|
|                                      | <u>Civil</u>   | <u>Labor</u>  | <u>Legal obligations</u> | <u>Tax</u>    | <u>Other provisions</u> | <u>Total</u>        |
| <b>Balances at December 31, 2018</b> | <b>427,980</b> | <b>32,820</b> | <b>164,514</b>           | <b>24,566</b> | <b>71,163</b>           | <b>721,043</b>      |
| Provisions                           | -              | 1,046         | 2,258                    | -             | 619                     | 3,923               |
| Provision expenditure                | -              | (2,345)       | -                        | -             | -                       | (2,345)             |
| Reversal of provisions               | -              | (812)         | -                        | -             | -                       | (812)               |
| Reassessment of risks                | 28,210         | 2,586         | -                        | -             | -                       | 30,796              |
| Monetary restatement                 | 9,321          | 782           | 2,454                    | 177           | 647                     | 13,381              |
| <b>Balances at March 31, 2019</b>    | <b>465,511</b> | <b>34,077</b> | <b>169,226</b>           | <b>24,743</b> | <b>72,429</b>           | <b>765,986</b>      |

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

### f) *Possible losses*

The proceedings assessed as possible loss are so classified as a result of uncertainties surrounding their outcome. They are legal or administrative proceedings for which case law has not yet been established or which still depend on check and analysis of the facts, or even involve specific aspects that reduce the likelihood of loss.

B3 and its subsidiaries are parties to tax, civil and labor lawsuits involving risks of loss classified by management as possible, based on the assessment of B3's legal department and external legal advisors, for which no provision has been recorded. These proceedings comprise mainly the following:

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

- Labor claims mostly relate to claims filed by former employees of B3 and of outsourced service providers, on account of alleged noncompliance with labor legislation. At March 31, 2019, lawsuits classified as possible loss amount to R\$26,624 in B3 (R\$33,892 in B3 and consolidated at December 31, 2018) and R\$26,687 in consolidated.
- Civil proceedings mainly relate to aspects of civil liability of B3, as well as cancellation of units of interest of former members of the then CETIP Associação. The amount involved in civil proceedings classified as possible losses at March 31, 2019 totals R\$68,889 in B3 and in the Consolidated (R\$104,017 at December 31, 2018 in B3 and in the Consolidated).

The amount considered for March 31, 2019 derives from two lawsuits involving cancellation of units of interest of former members of the CETIP Associação.

- The total amount involved in the tax proceedings assessed as possible loss amounts to R\$514,095 in B3 (R\$485,135 at December 31, 2018) and R\$514,608 in the Consolidated (R\$485,480 at December 31, 2018). The main tax proceedings of B3 and its subsidiaries refer to the following matters:

(i) Classification of the former BM&F e Bovespa, in the period prior to the demutualization, as taxpayers of the Contribution Tax on Gross Revenue for Social Security Financing (“COFINS”), which is the subject matter of two declaratory judgment actions pleading the declaration that the plaintiffs have no tax obligations owed to the federal tax authorities and seeking non-levy of COFINS on revenue arising from the exercise of the activities for which they were established, the revenue of which does not fall under the concept of billing. The amount involved in the aforementioned proceedings at March 31, 2019 totals R\$69,162 (R\$68,706 at December 31, 2018).

(ii) Collection of Withholding Income Tax (“IRRF”), referring to calendar year 2008, arising from the Brazilian IRS’s understanding that B3 is responsible for withholding and payment of IRRF on alleged capital gain by non-resident investors of Bovespa Holding S.A., resulting from merger of shares of said company by B3. On November 26, 2018, the B3 appealed to the Judiciary Branch against the decision of the Higher Chamber of CARF that maintained referred to tax assessment notice, and obtained a preliminary injunction suspending the enforceability of the tax credit. The amount involved in the related administrative proceeding at March 31, 2019 totals R\$225,984 (R\$222,396 at December 31, 2018).

(iii) alleged levy of social security contributions on options granted based on the BM&F S.A. Stock Option Plans assumed by B3 S.A. and of B3 S.A. itself exercised by the Plans’ beneficiaries in 2011 and 2012. The Brazilian IRS inquiries are based on the understanding that stock options granted to employees represent salary in nature, since they correspond to a consideration for services rendered. At March 31, 2019, the amount involved in this administrative proceeding is R\$99,330 (R\$98,375 at December 31, 2018), related to social security contributions allegedly due, assessed as possible chance of loss.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

### g) Remote losses

Between 2010 and 2017, B3 received three tax assessment notices from the Brazilian Internal Revenue Service (RFB), challenging the amortization, for tax purposes, of goodwill arising from the merger of Bovespa Holding S.A. shares into B3 in May 2008. B3 considers that the risk of loss associated with these tax proceedings is remote. The amounts involved in each tax proceeding are broken down as follows:

| Period of tax amortization challenged | Amounts referring to<br>administrative proceedings |                  |
|---------------------------------------|--|------------------|
|                                       | 03/31/2019   | 12/31/2018       |
| 2008 and 2009 (1)                     | 1,311,017  | 1,300,287        |
| 2010 and 2011 (2)                     | 2,643,885  | 2,618,775        |
| 2012 and 2013 (3)                     | 3,266,192  | 3,228,190        |
| <b>Total</b>                          | <b>7,221,094</b>                                   | <b>7,147,252</b> |

- (1) B3 filed an appeal with the Judiciary through an action for annulment on April 23, 2018, in relation to the notice served on November 29, 2010. On June 12, 2018, the preliminary injunction granted suspended the collectibility of the tax credit.
- (2) On June 22, 2017, CARF handed down a decision granting the Voluntary Appeal filed by B3. Currently, B3 is awaiting the judgment by Superior Chamber of Tax Appeals of the Special Appeal filed by the National Treasury.
- (3) In October 2017, the Company filed a related administrative protest, for which an unfavorable decision was handed down by the Brazilian IRS Judgment Office (DRJ), upholding the notice. B3 currently awaits judgment of the Voluntary Appeal, submitted to CARF on August 31, 2018.

B3 is a defendant in 3 (three) class actions and 2 (two) public civil actions, filed against the then Bolsa de Mercadorias & Futuros - BM&F ("BM&F"), in order to determine alleged Treasury losses arising from transactions performed by the Central Bank of Brazil in January 1999 in the dollar futures market. In March 2012, the referred to proceedings were judged by the trial court and deemed valid, convicting most of the defendants, among them, the then BM&F. The convictions totaled R\$ 7,005 million, of which, according to one of the decisions handed down, the gains that the Central Bank of Brazil obtained due to the non-use of international reserves, in the amount of up to R\$ 5,431 million, may be deducted. B3 was also ordered to pay a civil penalty in the amount of R\$1,418 million. The figures were measured in January 1999 and should be adjusted for Monetary restatement, plus interest and burden of defeat. However, in June 2017, the Federal Regional Court decided favorably to the appeals to adjudicate the merits which were lodged by the B3, overturning the decisions and thus excluding the responsibility for refunding any losses inflicted on the Treasury. Currently, only one of the special appeals filed by the Federal Prosecution Office (MPF) has been analyzed, which led to a final and unappealable decision on inadmissibility. The examination of the admissibility of the other special appeals filed by the Federal Prosecution Office (MPF) is awaited. B3 understands that these proceedings are fully groundless and will not recognize in its financial statements any provision for such lawsuits as the risk of loss is remote.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

### h) *Judicial deposits*

| Description           | B3             |                | Consolidated   |                |
|-----------------------|----------------|----------------|----------------|----------------|
|                       | 03/31/2019     | 12/31/2018     | 03/31/2019     | 12/31/2018     |
| Legal obligations (1) | 181,408        | 252,487        | 181,408        | 252,487        |
| Tax (2)               | 91,786         | 91,122         | 92,228         | 91,523         |
| Labor                 | 13,408         | 13,131         | 13,577         | 13,284         |
| Civil                 | 6,728          | 6,639          | 6,728          | 6,639          |
| <b>Total</b>          | <b>293,330</b> | <b>363,379</b> | <b>293,941</b> | <b>363,933</b> |

(1) Of the total deposits relating to legal obligations, R\$6,598 (R\$80,245 at December 31, 2018) relates to the proceedings in which B3 claims non-levy of additional social security contribution on payroll and payments to self-employed professionals, and challenges the legality of FAP (an index applied to calculate the occupational accident insurance owed by employers). On February 7, 2019, B3 conducted a survey of the judicial deposit amounting to R\$73,821, due to the final and unappealable decision in September 2017 relating to one of the lawsuits that challenged the levy of additional social security tax on payroll.

(2) Out of the total judicial deposits of B3, the following are highlighted: (i) R\$69,162 (R\$65,579 at December 31, 2018) referring to proceedings challenging the classification of the stock exchanges as subject to the payment of COFINS, which are assessed as possible loss by B3, as described in item "f" of this note; and (ii) R\$15,560 (R\$15,458 at December 31, 2018) referring to proceedings challenging PIS and COFINS on interest on equity received.

Due to the existence of judicial deposits related to tax proceedings classified as possible losses, the total tax contingencies and legal obligations are less than the total deposits related to tax claims.

## 12 . Equity

### a) *Capital*

B3's fully subscribed and paid-up capital totals R\$3,548,655, comprising 2,059,138,490 registered common shares with voting rights and no par value, of which 2,047,359,628 common shares are outstanding at March 31, 2019 (2,044,215,807 at December 31, 2018).

B3 is authorized to increase its capital up to the limit of 2,500,000,000 common shares, through a resolution of the Board of Directors, without any amendment to its Articles of Incorporation.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
March 31, 2019  
(In thousands of reais, unless otherwise stated)

### b) *Treasury shares*

Changes in treasury shares for the quarter are as follows:

|  | <u>Quantity</u>   | <u>Amount</u>  |
|--|-------------------|----------------|
| <b>Balances at December 31, 2018</b>             | <b>14,922,683</b> | <b>165,635</b> |
| Shares sold – Stock option and stock grant plans | (3,143,821)       | (34,895)       |
| <b>Balances at March 31, 2019</b>                | <b>11,778,862</b> | <b>130,740</b> |
| Average cost of treasury shares (R\$ per share)  |                   | 11.10          |
| Market value of treasury shares                  |                   | 378,337        |

### c) *Revaluation reserves*

Revaluation reserves were established as a result of the revaluation of works of art in B3 and of the properties of subsidiary BVRJ in 2007, based on independent experts' appraisal reports.

### d) *Capital reserve*

This refers substantially to amounts originated in the merger of Bovespa Holding and Cetip shares in 2008 and 2017, respectively, and other corporate events allowed by the Brazilian Corporation Law, such as (i) capital increase through merger, (ii) redemption, repayment or purchase of shares, and (iii) events associated with the stock option and stock grant plans.

### e) *Income reserves*

#### i) **Legal reserve**

Legal reserve is annually set up with allocation of 5% of net income for the year, capped at 20% of capital. The legal reserve aims at ensuring integrity of capital and may only be used to absorb losses and increase capital. The legal reserve is not required to be set up considering that its amount plus the capital reserves exceeds 30% of the Company capital.

#### ii) **Statutory reserves**

Represent funds and safeguard mechanisms required for the activities of B3, in order to ensure the proper settlement and reimbursement of losses arising from the intermediation of transactions carried out in its trading sessions and/or registered in any of its trading, registration, clearing and settlement systems, and from custody services.

Pursuant to the Articles of Incorporation, the Board of Directors may, when the amount of the statutory reserve is sufficient to meet the purposes for which it was originally established, propose that part of the reserve be distributed to the shareholders of the B3.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

### f) Dividends and interest on equity

As provided for in the Articles of Incorporation, shareholders are entitled to mandatory minimum dividends of 25% of net income for the year, adjusted under Brazilian Corporation Law.

The interests on equity approved in relation to P&L for the period are as follows:

| Release date          | Payment date | Gross per share (R\$) | Gross amount   | IRPJ/CSLL effect | Net amount     |
|-----------------------|--------------|-----------------------|----------------|------------------|----------------|
| 03/21/2019            | 04/05/2019   | 0.192951              | 395,000        | (134,300)        | 260,700        |
| <b>Total for 2019</b> |              |                       | <b>395,000</b> | <b>(134,300)</b> | <b>260,700</b> |

### g) Earnings per share

| Basic   | Consolidated    |                 |
|---|-----------------|-----------------|
|   | 1Q 2019         | 1Q 2018         |
| <b>Numerator</b>                              |                 |                 |
| Net income available to shareholders of B3    | 606,198         | 314,723         |
| <b>Denominator</b>                            |                 |                 |
| Weighted average number of outstanding shares | 2,047,186,442   | 2,042,104,595   |
| <b>Basic earnings per share (in R\$)</b>      | <b>0,296113</b> | <b>0,154117</b> |

| Diluted  | Consolidated    |                 |
|--|-----------------|-----------------|
|  | 1Q 2019         | 1Q 2018         |
| <b>Numerator</b>   |                 |                 |
| Net income available to shareholders of B3   | 606,198         | 314,723         |
| <b>Denominator</b>   |                 |                 |
| Weighted average number of outstanding shares adjusted by effects of stock options and stock grant plans | 2,058,674,805   | 2,054,012,042   |
| <b>Diluted earnings per share (in R\$)</b>   | <b>0,294460</b> | <b>0,153224</b> |

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

### 13. Transactions with related parties

#### a) Transactions and balances with related parties

| Description                                   | Assets / (liabilities) |             | Revenue / (expenses) |          |
|---|------------------------|-------------|----------------------|----------|
|   | 03/31/2019             | 12/31/2018  | 1Q 2019              | 1Q 2018  |
| <b>Banco B3 S.A (1)</b>                       |                        |             |                      |          |
| Accounts receivable                           | 1,201                  | 1,316       | -                    | -        |
| Interest on equity receivable                 | -                      | 5,015       | -                    | -        |
| Accounts payable                              | (170)                  | (177)       | -                    | -        |
| Recovery of expenses                          | -                      | -           | 3,410                | 3,268    |
| Income from fees                              | -                      | -           | 53                   | 24       |
| Expenses from fees                            | -                      | -           | (371)                | (504)    |
| <b>Cetip Lux (1)</b>                          |                        |             |                      |          |
| Accounts payable                              | (1,850,850)            | (1,834,399) | -                    | -        |
| Interest on loans                             | -                      | -           | (19,229)             | (7,290)  |
| Exchange rate variation - loans               | -                      | -           | (10,105)             | (16,540) |
| <b>BM&amp;FBOVESPA Supervisão de Mercados</b> |                        |             |                      |          |
| Accounts receivable                           | 213                    | 187         | -                    | -        |
| Accounts payable                              | (1,107)                | (344)       | -                    | -        |
| Donation and contribution                     | -                      | -           | (2,526)              | (1,844)  |
| Recovery of expenses                          | -                      | -           | 738                  | 643      |
| <b>Other related parties</b>                  |                        |             |                      |          |
| Accounts receivable                           | 93                     | 95          | -                    | -        |
| Accounts payable                              | (267)                  | -           | -                    | -        |
| Recovery of expenses                          | -                      | -           | 1,096                | 902      |
| Sundry revenues                               | -                      | -           | 42                   | -        |
| Expenses with courses                         | -                      | -           | (25)                 | (30)     |
| Donation                                      | -                      | -           | -                    | (137)    |
| Telecommunication services                    | -                      | -           | (4)                  | (366)    |
| Sundry expenses                               | -                      | -           | (924)                | (406)    |

(1) Subsidiaries included in the consolidation process.

B3 follows a policy on transactions with related parties, approved by the Board of Directors, which aims to establish rules to ensure that all decisions involving related-party transactions and other situations of potential conflict of interest are taken to the interests of B3 and its shareholders.

The main recurring transactions with related parties are described below and were carried out under the following conditions:

The BM&FBOVESPA Supervisão de Mercados - BSM (BSM) is a not-for-profit civil association engaged in the analysis, supervision and inspection of transactions and activities of the companies of Trading Members and Regulators that perform clearing and settlement activities and/or custody services that operate in the stock exchange market and in the organized over-the-counter market managed by B3.



## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

In addition to these attributions, BSM incorporated the self-regulatory activities of the marketable securities organized markets.

B3 has entered into an agreement with BSM for the transfer and recovery of costs, which establishes the reimbursement to B3 of expenses incurred for resources and infrastructure made available to BSM to assist in the performance of its supervision activities. Such costs are determined on a monthly basis using the methodology specified in the agreement entered into by and between the parties and also include the activities related to the *Mecanismo de Ressarcimento de Prejuízos* (Loss Recovery Mechanism), as this mechanism is administered by BSM.

B3 makes transfers in order to supplement financing for the activities of BSM and regular transfers of fines for failure to settle debts and deliver assets by BSM, as set out in Circular Letter No. 044/2013 of B3.

Sundry expenses with other related parties consist mainly of general expenses of BM&FBOVESPA (UK) Ltd.,) office, relating to lawyer's services provided by law firm Barbosa Mussnich Aragão - Advogados (BMA), and maintenance services provided by TOTVS S.A. Management understands that the BMA law firm and the TOTVS are related parties, as both have members who are members of the Board of Directors of B3. The contracts were entered into within the criteria established by the policy of related parties and other situations involving B3's conflicts of interest.

Sundry revenues from other related parties refer mainly to services provided by B3 to BLK referring to Market data, data signal sales, and co-location hosting services.

### b) Key management personnel compensation

Key management personnel include directors and statutory officers.

| <b>Benefits to managing officers</b>                | <b>Consolidated</b> |                |
|---|---------------------|----------------|
|   | <b>1Q 2019</b>      | <b>1Q 2018</b> |
| <b>Managing officers</b>                            |                     |                |
| Short-term benefits (salaries, profit sharing etc.) | 8,604               | 7,872          |
| Share-based compensation (1)                        | 23,622              | 18,143         |
| <b>Board of Directors</b>                           |                     |                |
| Short-term benefits (salaries, profit sharing etc.) | 2,469               | 3,119          |
| Share-based compensation (1)                        | 2,381               | 968            |

(1) This refers to expenses computed in the quarter relating to share-based compensation, increased by labor and social security charges, and stock options of key management personnel. These expenses were recognized according to the criteria described in Note 15.

## **B3 S.A. - Brasil, Bolsa, Balcão**

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

### **14. Collateral for transactions**

Operating as a central counterparty and guarantor in the markets, B3 manages two clearinghouses considered systemically important by the Central Bank of Brazil: BM&FBOVESPA and Foreign Exchange

The activities carried out by the clearinghouse are governed by Law No. 10214/01, which authorizes the multilateral clearing of obligations, establishes the central counterparty role of the systemically important clearinghouse and permits the utilization of the collateral obtained from defaulting participants to settle their obligations in the clearinghouse environment, including in cases of civil insolvency, agreements with creditors, intervention, bankruptcy and out-of-court liquidation.

Through its foreign exchanges, B3 acts as a central counterparty in the derivatives market (futures, forward, options and swaps), spot foreign exchange market and variable income (spot, forward, option, futures and lending of securities). In other words, by assuming the role of a central counterparty, B3 becomes responsible for the settlement of trades carried out and/or registered in its systems, as established in the applicable regulations.

The performance of B3 as a central counterparty exposes it to the credit risk of the participants that utilize its settlement systems. If a participant fails to make the payments due, or to deliver the assets or commodities due, it will be incumbent upon B3 to resort to its safeguard mechanisms, in order to ensure the proper settlement of the transactions in the established time frame and manner. In the event of a failure or insufficiency of the safeguard mechanisms of its foreign exchanges, B3 might have to use its own equity, as a last resort, to ensure the proper settlement of trades.

The clearinghouse are not directly exposed to market risk, as they do not hold net long or net short positions in the various contracts and assets traded. However, an increase in price volatility can affect the magnitude of amounts to be settled by the various market participants, and can also heighten the probability of default by these participants. Furthermore, as already emphasized, the clearinghouse are responsible for the settlement of the trades of a defaulting participant, which could result in losses for B3 if the amounts due surpass the amount of collateral available. Accordingly, despite the fact that there is no direct exposure to market risk, this risk can impact and increase the credit risks assumed.

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

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

The safeguard structures of the clearinghouses are based largely on a loss-sharing model called defaulter pays, in which the amount of collateral deposited by each participant should be able to absorb, with a high degree of confidence, the potential losses associated with its default.

Consequently, the amount required as collateral for participants is the most important element in our management structure of the potential market risks arising from our role as a central counterparty.

For most contracts and operations involving assets, the required value as collateral is sized to cover the market risk of the business, i.e. its price volatility during the expected time frame for settlement of the positions of a defaulting participant. This timeframe can vary depending on the nature of contracts and assets traded.

The models used for calculating the margin requirements are based, in general, on the concept of stress testing, in other words, a methodology that attempts to measure market risk into account not only recent historical volatility of prices, but also the possibility of the occurrence of unexpected events that modify the historical patterns of behavior of prices and the market in general.

In BM&FBOVESPA, the guarantee margin is defined by the risk faced by the clearinghouse of closing a portfolio. To calculate the risk of closing a portfolio containing positions and guarantees from multiple markets and asset classes, B3 developed an innovative risk measure: Close-Out Risk Evaluation (CORE).

The operations in the B3 markets are secured by margin deposits in cash, government and corporate securities, letters of guarantee and shares among others. The guarantees received in cash, in the amount of R\$2,817,978 (R\$2,110,933 at December 31, 2018), are recorded as a liability under "Collateral for transactions" and collaterals, in the amount of R\$318,795,920 (R\$317,273,984 at December 31, 2018), are recorded in memorandum accounts. At March 31, 2019, total collaterals deposited by members amounts to R\$321,613,898 (R\$319,384,917 at December 31, 2018), as follows:

### a. Collaterals deposited by members

|                                 | 03/31/2019                   |                                      | 12/31/2018                   |                                      |
|---------------------------------|------------------------------|--------------------------------------|------------------------------|--------------------------------------|
|                                 | BM&FBOVESPA<br>Clearinghouse | Foreign<br>Exchange<br>Clearinghouse | BM&FBOVESPA<br>Clearinghouse | Foreign<br>Exchange<br>Clearinghouse |
| Federal government securities   | 256,004,679                  | 7,717,365                            | 255,845,092                  | 7,786,067                            |
| Shares                          | 47,637,540                   | -                                    | 46,197,602                   | -                                    |
| International securities (1)    | 3,033,215                    | -                                    | 3,443,152                    | -                                    |
| Letters of guarantee            | 2,972,857                    | -                                    | 2,463,387                    | -                                    |
| Cash amounts deposited          | 2,369,657                    | 448,121                              | 2,110,733                    | -                                    |
| Bank Deposit Certificates(CDBs) | 1,357,816                    | -                                    | 1,467,790                    | -                                    |
| Gold                            | 14,271                       | -                                    | 16,018                       | -                                    |
| Other                           | 58,377                       | -                                    | 55,076                       | -                                    |
| <b>Total</b>                    | <b>313,448,412</b>           | <b>8,165,486</b>                     | <b>311,598,850</b>           | <b>7,786,067</b>                     |

(1) American and German government securities as well as ADRs (American Depositary Receipts).

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

### **b. Other safeguard mechanisms**

- Minimum non-operating guarantee (GMNO): The GMNO deposit is an access requirement for full negotiation participants (PNP) and Settlement participants to the clearinghouse of BM&FBOVESPA and the required values are defined in the BM&FBOVESPA access manual. Minimum Non-operating Collateral is broken down as follows:

| <b>Breakdown</b>                         | <b>03/31/2019</b> | <b>12/31/2018</b> |
|--|-------------------|-------------------|
| Share Investment Fund (FILCB)            | 870,820           | 858,460           |
| <b>Amounts deposited</b>                 | <b>870,820</b>    | <b>858,460</b>    |
| Amounts required of members              | 793,000           | 774,000           |
| Amount in excess of the minimum required | 77,820            | 84,460            |

- Fundo de Liquidação (Settlement Fund): funds in the FLI are used by the clearinghouse of BM&FBOVESPA to cover any losses arising from default by one or more clearing members (MC), after there are no more guarantees deposited by members under the responsibility of the MCs in default. In addition to the contribution of the MCs to the FLI, there is also the contribution of B3, which is a portion of its equity, allocated to the fund. These contributions are allocated to the Investment Fund BM&FBOVESPA Clearinghouse Liquidity (FILCB), which is formally constituted as an investment fund, under the provisions of the applicable legislation, administered, managed and guarded by Banco B3.
- Fundo de Liquidação de Operações de Câmbio (FLOC), composed of collaterals transferred by foreign exchange clearinghouse participants and B3 funds, intended to guarantee the proper settlement of transactions.

FLI and FLOC are broken down as follows:

|   | <b>03/31/2019</b>                   |  |  |
|---|-------------------------------------|--|--|
|   | <b>Clearing<br/>BM&amp;FBOVESPA</b> | <b>Foreign<br/>exchange<br/>clearing</b> | <b>Special Equity<br/>-Clearinghouse<br/>and custody</b> |
| Federal government securities           | -                                   | 224,967                                  | -  |
| Federal government securities of B3     | -                                   | 127,112                                  | -  |
| Share investment fund (FILCB) of B3     | 648,974                             | -  | -  |
| Share investment fund (FILCB)           | 742,730                             | -  | -  |
| Cash amounts deposited                  | -                                   | 200                                      | -  |
| <b>Amounts deposited</b>                | <b>1,391,704</b>                    | <b>352,279</b>                           | -  |
| Amounts required from participants      | 679,000                             | 117,250                                  | -  |
| Amounts required from B3                | 600,000                             | 117,250                                  | -  |
| Value in excess of the minimum required | 112,704                             | 117,779                                  | -  |
| <b>Special Equity (1)</b>               | <b>161,728</b>                      | <b>78,292</b>                            | <b>80,161</b>  |

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

|   | <b>Clearing<br/>BM&amp;FBOVESPA</b> | <b>Foreign<br/>exchange<br/>clearing</b> | <b>03/31/2018<br/>Special Equity -<br/>Clearinghouse<br/>and custody</b> |
|---|-------------------------------------|--|--|
| Federal government securities           | -                                   | 233,435                                  | -  |
| Federal government securities of B3     | -                                   | 125,162                                  | -  |
| Share investment fund (FILCB) of B3     | 639,141                             | -  | -  |
| Share investment fund (FILCB)           | 732,355                             | -  | -  |
| Cash amounts deposited                  | -                                   | 200                                      | -  |
| <b>Amounts deposited</b>                | <b>1,371,496</b>                    | <b>358,797</b>                           | <b>-</b>   |
| Amounts required from participants      | 665,000                             | 117,250                                  | -  |
| Amounts required from B3                | 600,000                             | 117,250                                  | -  |
| Value in excess of the minimum required | 106,496                             | 124,297                                  | -  |
| <b>Special Equity (1)</b>               | <b>159,272</b>                      | <b>77,110</b>                            | <b>78,952</b>  |

(1) *Patrimônio Especial (Special equity) Selic das câmaras BM&FBOVESPA, Câmbio e de compensação e custódia*, in compliance with the provisions of article 5 of Law 10214 of march 27, 2001 and article 19 of bacen circular No. 3057 of August 31, 2001, B3 maintain in federal government securities.

- Cash of B3 dedicated to BM&FBOVESPA clearinghouse: portion of B3 equity, formally and exclusively dedicated to the clearinghouse - used by BM&FBOVESPA clearinghouse for the treatment of a failure in the settlement window, ensuring the necessary resources to fulfill its payment obligations to creditor clearing members.

| <b>Breakdown</b>                         | <b>03/31/2019</b> | <b>12/31/2018</b> |
|--|-------------------|-------------------|
| Federal government securities            | 1,238,576         | 1,217,562         |
| <b>Amounts deposited</b>                 | <b>1,238,576</b>  | <b>1,217,562</b>  |
| Amounts required of B3                   | 1,200,000         | 1,200,000         |
| Amount in excess of the minimum required | 38,576            | 17,562            |

## **B3 S.A. - Brasil, Bolsa, Balcão**

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

### **15. Employee benefits**

#### **a. Stock Grant - long-term incentive**

B3 recognized for the quarter expenses related to Stock Option and Stock Grant Plan grants in the amount of R\$21,796 and R\$21,924 in consolidated (R\$18,923 at March 31, 2018 in B3 and in consolidated), matched against capital reserves in equity, based on the fair value of the share at the grant date of the plans. B3 also recognized charges as personnel expenses in the amount of R\$28,575 for the quarter (R\$18,640 at March 31, 2018) calculated based on the fair value of the share at March 31, 2019.

B3 will record the expenses relating to the Stock Grant Program which were granted for replacement of unvested options of the Stock Option Plan, for the same fair value of options previously granted, in accordance with CPC 10 (R1)/IFRS 2.

#### ***Effects arising from transfer of shares***

At March 31, 2019, the cost of shares transferred related to the grants of the Stock Grant Plan amounted to R\$34,529 (R\$34,125 at March 31, 2018).

#### ***Pricing model***

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

For the case of cash-settled share-based compensation programs, the fair value payable to executive officers is recognized as an expense with the corresponding increase in liabilities for the period in which executive officers acquire the right to payment. The liability is measured again at each balance sheet date and on the settlement date. Any changes in the fair value of the liability are recognized as personnel expenses in the income statement.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

### Stock Grant – Summary/changes

| Conversion /<br>Grant Date | Vesting<br>period up to | Fair value of<br>shares on<br>the grant<br>date (R\$ per<br>share) | Number of<br>shares at<br>12/31/2018 | Changes in the quarter |                    |                 | Outstanding<br>share<br>contracts at<br>03/31/2019 | Dilution<br>percentage (1) |
|----------------------------|-------------------------|--|--------------------------------------|------------------------|--------------------|-----------------|--|----------------------------|
|                            |                         |  |                                      | New<br>programs        | Performed          | Canceled        |  |                            |
| 01/05/2015                 | 01/07/2019              | 9.22   | 463,928                              | -                      | (440,239)          | (23,689)        | -  | 0.00%                      |
| 01/02/2015                 | 01/02/2019              | 9.50   | 509,022                              | -                      | (508,422)          | (600)           | -  | 0.00%                      |
| 01/08/2016                 | 01/14/2019              | 10.52  | 712,757                              | -                      | (697,059)          | (15,698)        | -  | 0.00%                      |
| 01/08/2016                 | 01/13/2020              | 10.52  | 527,495                              | -                      | -                  | -               | 527,495  | 0.03%                      |
| 01/08/2016                 | 04/30/2019              | 10.52  | 172,697                              | -                      | -                  | -               | 172,697  | 0.01%                      |
| 01/06/2017                 | 01/15/2019              | 17.05  | 589,015                              | -                      | (568,185)          | (20,830)        | -  | 0.00%                      |
| 01/06/2017                 | 01/15/2020              | 17.05  | 578,417                              | -                      | -                  | -               | 578,417  | 0.03%                      |
| 01/06/2017                 | 01/15/2021              | 17.05  | 380,249                              | -                      | -                  | -               | 380,249  | 0.02%                      |
| 01/06/2017                 | 04/30/2019              | 17.05  | 172,696                              | -                      | -                  | -               | 172,696  | 0.01%                      |
| 03/29/2017                 | 03/29/2019              | 19.35  | 201,550                              | -                      | (201,550)          | -               | -  | 0.00%                      |
| 03/29/2017                 | 03/30/2020              | 19.35  | 302,326                              | -                      | -                  | -               | 302,326  | 0.01%                      |
| 03/29/2017                 | 03/29/2021              | 19.35  | 302,326                              | -                      | -                  | -               | 302,326  | 0.01%                      |
| 03/29/2017                 | 01/10/2020              | 19.35  | 718,475                              | -                      | -                  | -               | 718,475  | 0.04%                      |
| 03/29/2017                 | 01/10/2021              | 19.35  | 718,475                              | -                      | -                  | -               | 718,475  | 0.04%                      |
| 11/13/2017                 | 11/13/2019              | 22.70  | 122,914                              | -                      | -                  | -               | 122,914  | 0.01%                      |
| 11/13/2017                 | 11/13/2020              | 22.70  | 122,890                              | -                      | -                  | -               | 122,890  | 0.01%                      |
| 11/13/2017                 | 11/15/2021              | 22.70  | 122,886                              | -                      | -                  | -               | 122,886  | 0.01%                      |
| 01/08/2018                 | 01/15/2019              | 23.90  | 692,627                              | -                      | (692,627)          | -               | -  | 0.00%                      |
| 01/08/2018                 | 01/15/2020              | 23.90  | 690,957                              | -                      | -                  | -               | 690,957  | 0.03%                      |
| 01/08/2018                 | 01/15/2021              | 23.90  | 690,985                              | -                      | -                  | -               | 690,985  | 0.03%                      |
| 01/08/2018                 | 04/30/2021              | 23.90  | 172,690                              | -                      | -                  | -               | 172,690  | 0.01%                      |
| 01/08/2018                 | 01/14/2022              | 23.90  | 334,750                              | -                      | -                  | -               | 334,750  | 0.02%                      |
| 01/08/2019                 | 01/15/2020              | 27.88  | -                                    | 710,186                | -                  | -               | 710,186  | 0.03%                      |
| 01/08/2019                 | 01/15/2021              | 27.88  | -                                    | 710,186                | -                  | -               | 710,186  | 0.03%                      |
| 01/08/2019                 | 01/17/2022              | 27.88  | -                                    | 710,186                | -                  | -               | 710,186  | 0.03%                      |
| 01/08/2019                 | 01/16/2023              | 27.88  | -                                    | 710,186                | -                  | -               | 710,186  | 0.03%                      |
| 01/08/2019                 | 04/30/2021              | 27.88  | -                                    | 172,690                | -                  | -               | 172,690  | 0.01%                      |
|                            |                         |  | <b>9,300,127</b>                     | <b>3,013,434</b>       | <b>(3,108,082)</b> | <b>(60,817)</b> | <b>9,144,662</b>                                   | <b>0.45%</b>               |

(1) The number of outstanding shares at March 31, 2019 is 2,047,359,628.

#### **b. Stock options - Long-term incentive**

B3 entered into commitments with beneficiaries to hold them harmless from any potential liabilities related to the Option Plans. At March 31, 2019, the potential liabilities are recognized for R\$35,079 (R\$34,747 at December 31, 2018).

## **B3 S.A. - Brasil, Bolsa, Balcão**

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

### ***c. Matching Program***

The Board of Directors from CETIP approved on November 4, 2015, the Matching Program. The program provides for the possibility of the participant investing a certain percentage of its profit sharing in the B3 shares and in return receiving the equivalent amount in cash from the B3, provided that the grace conditions are met. If the conditions are not met (investment or expiry of the grace period), the right to receive the consideration (matching) will be canceled.

The current Matching Program was implemented by CETIP in April 2017 and granted participants the right to receive the equivalent of 1.38 common share issued by the B3 for each share acquired, totaling the amount equivalent to 554,068 shares issued by B3. In addition to the amount equivalent to matching shares, participants will also be entitled, at the end of each grace period, to receive the amount equivalent to dividends and proceeds resolved by the B3 over each grace period. The granting of the matching shares was divided into 4 equal lots, each one equivalent to 25% of the shares, with a grace period of 12, 24, 36 and 48 months, respectively, from the program implementation date.

The fair value payable is recognized as an expense with the corresponding increase in liabilities for the period in which participants acquire the right to payment. The liability is measured again at each balance sheet date and on the settlement date at the average amount of B3 share of the last 30 trading sessions. Any changes in the fair value of the liability are recognized as personnel expenses in the income statement.

B3 recognized expenses relating to the Matching Plan and related charges amounting to R\$2,963 in the quarter in B3 and in the consolidated (R\$4,849 in B3 and in consolidated at March 31, 2018).

### ***d. Supplementary pension plan***

B3 sponsors private pension plans structured in the defined contribution (DC) type with voluntary participation open to all employees. Due to the merger of CETIP into B3, the two current plans (Mercaprev and Itaú Fundo Multipatrocinado) of the Company will be maintained until the end of 2019. For new hiring of employees of B3, until the end of 2019 the option to adhere the pension plan will only be possible via Mercaprev.



## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

### 16. Income tax and social contribution

#### *a. Deferred income tax and social contribution - Changes*

The balances of and changes in deferred income and social contribution taxes recognized are as follows:

|  | B3                 |   |   |                    |
|--|--------------------|---|---|--------------------|
|  | 12/31/2018         | (Debt) credit in<br>the income<br>statement | (Debt) credit in the<br>statement of<br>comprehensive<br>income | 03/31/2019         |
| <b>Deferred assets</b>   |                    |   |   |                    |
| Tax, civil and labor contingencies                                     | 229,436            | 15,613                                      | -   | 245,049            |
| Tax loss carryforwards   | 741,113            | 22,991                                      | -   | 764,104            |
| Fair Value hedge - derivatives   | 117,940            | 4,557                                       | -   | 122,497            |
| Exchange rate variation - shares abroad                                | 8,163              | -   | (672)   | 7,491              |
| Impairment   | 25,238             | -   | -   | 25,238             |
| Amortization/depreciation of surplus value                             | 50,376             | (2,601)                                     | -   | 47,775             |
| Revenues to be allocated   | 29,577             | 1,361                                       | -   | 30,938             |
| Investment in CETIP Lux  | 4,196              | 1,508                                       | -   | 5,704              |
| Intangible assets written off in the business combination (CETIP)      | 11,448             | -   | -   | 11,448             |
| Exchange Variation   | 88,373             | 4,451                                       | -   | 92,824             |
| Other temporary differences  | 169,300            | (46,842)                                    | -   | 122,458            |
| <b>Total deferred tax assets</b>                                       | <b>1,475,160</b>   | <b>1,038</b>                                | <b>(672)</b>  | <b>1,475,526</b>   |
| <b>Deferred tax liabilities</b>  |                    |   |   |                    |
| Goodwill amortization (1)  | (4,625,854)        | (119,628)                                   | -   | (4,745,482)        |
| Market to market - Financial instruments                               | (129,545)          | (470)                                       | (3,481)   | (133,496)          |
| Exchange rate variation- shares abroad                                 | (11,028)           | -   | (1,675)   | (12,703)           |
| Research and development of technology innovation                      | (11,570)           | 378   | -   | (11,192)           |
| Surplus value of intangible assets in the business combination (CETIP) | (14,026)           | -   | -   | (14,026)           |
| Investment in CETIP Lux  | -                  | (4,494)                                     | -   | (4,494)            |
| Other temporary differences  | (27,596)           | (466)                                       | -   | (28,062)           |
| <b>Total deferred tax liabilities</b>                                  | <b>(4,819,619)</b> | <b>(124,680)</b>                            | <b>(5,156)</b>  | <b>(4,949,455)</b> |
| <b>Deferred taxes, net</b>   | <b>(3,344,459)</b> | <b>(123,642)</b>                            | <b>(5,828)</b>  | <b>(3,473,929)</b> |

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

|  | 12/31/2018         | (Debt) credit in the income statement | (Debt) credit in the statement of comprehensive income | Acquisition of subsidiary | Consolidated<br>03/31/2019 |
|--|--------------------|---------------------------------------|--|---------------------------|----------------------------|
| <b>Deferred assets</b>   |                    |                                       |  |                           |                            |
| Tax, civil and labor contingencies                                   | 229,463            | 15,615                                | -  | -                         | 245,078                    |
| Tax loss carryforwards   | 741,113            | 22,991                                | -  | -                         | 764,104                    |
| Fair Value hedge - derivatives                                       | 117,940            | 4,557                                 | -  | -                         | 122,497                    |
| Exchange rate variation - shares abroad                              | 8,163              | -                                     | (672)  | -                         | 7,491                      |
| Impairment   | 25,238             | -                                     | -  | -                         | 25,238                     |
| Amortization/depreciation of surplus value                           | 50,376             | (2,601)                               | -  | -                         | 47,775                     |
| Revenues to be allocated   | 29,577             | 1,361                                 | -  | -                         | 30,938                     |
| Investment in CETIP Lux  | 4,196              | 1,508                                 | -  | -                         | 5,704                      |
| Intangible assets written off in the business combination            | 11,448             | -                                     | -  | -                         | 11,448                     |
| Exchange Variation   | 88,373             | 4,452                                 | -  | -                         | 92,825                     |
| Other temporary differences  | 169,301            | (46,842)                              | -  | -                         | 122,459                    |
| <b>Total deferred tax assets</b>                                     | <b>1,475,188</b>   | <b>1,041</b>                          | <b>(672)</b>   | <b>-</b>                  | <b>1,475,557</b>           |
| <b>Deferred tax liabilities</b>                                      |                    |                                       |  |                           |                            |
| Goodwill amortization (1)  | (4,625,854)        | (119,628)                             | -  | -                         | (4,745,482)                |
| Marketo To Market - Financial instruments                            | (129,554)          | (470)                                 | (3,474)  | -                         | (133,498)                  |
| Exchange rate variation- shares abroad                               | (11,028)           | -                                     | (1,674)  | -                         | (12,702)                   |
| Research and development of technology innovation                    | (11,570)           | 378                                   | -  | -                         | (11,192)                   |
| Surplus value of intangible assets in the business combination (BLK) | (14,028)           | -                                     | -  | (3,774)                   | (17,802)                   |
| Investment in CETIP Lux  | -                  | (4,494)                               | -  | -                         | (4,494)                    |
| Other temporary differences  | (27,594)           | (467)                                 | -  | (37)                      | (28,098)                   |
| <b>Total deferred tax liabilities</b>                                | <b>(4,819,628)</b> | <b>(124,681)</b>                      | <b>(5,148)</b>   | <b>(3,811)</b>            | <b>(4,953,268)</b>         |
| <b>Deferred taxes, net</b>   | <b>(3,344,440)</b> | <b>(123,640)</b>                      | <b>(5,820)</b>   | <b>(3,811)</b>            | <b>(3,477,711)</b>         |

(1) Deferred income tax and social contribution liabilities arising from temporary differences between the tax base of goodwill and its carrying amount on the balance sheet, considering that goodwill is still amortized for tax purposes, but is no longer amortized for accounting purposes as from January 1, 2009, resulting in a tax base smaller than the carrying amount of goodwill. This temporary difference may result in amounts becoming taxable in future periods, when the carrying amount of the asset will be reduced or settled, this requiring the recognition of a deferred tax liability.

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

### b. Estimated realization period

Deferred tax assets arising from temporary differences are recorded in the books taking into consideration their probable realization, based on projections of future results prepared based on internal assumptions and future economic scenarios that may, accordingly, not materialize as expected.

The estimated realization of tax credits and provision for deferred taxes and contributions as at March 31, 2019 are as follows:

|                   | Temporary differences | Income tax and social contribution losses | Total            | Provision for deferred taxes and contributions | Total deferred, net |
|-------------------|-----------------------|---|------------------|--|---------------------|
| 2019              | 17,184                | 4,939                                     | 22,123           | (1,613)  | 20,510              |
| 2020              | 20,737                | 2,982                                     | 23,719           | (2,149)  | 21,570              |
| 2021              | 15,351                | 44,075                                    | 59,426           | (2,137)  | 57,289              |
| 2022              | 9,159                 | 166,933                                   | 176,092          | (2,121)  | 173,971             |
| 2023              | 8,544                 | 284,862                                   | 293,406          | (2,116)  | 291,290             |
| 2024              | 4,273                 | 260,313                                   | 264,586          | (1,058)  | 263,528             |
| 2025              | 560                   | -   | 560              | -  | 560                 |
| From 2025 onwards | 635,645               | -   | 635,645          | (368,073)                                      | 267,572             |
| Goodwill (1)      | -                     | -   | -                | (4,574,001)                                    | (4,574,001)         |
| <b>Total</b>      | <b>711,453</b>        | <b>764,104</b>                            | <b>1,475,557</b> | <b>(4,953,268)</b>                             | <b>(3,477,711)</b>  |

- (1) The deferred tax liability arising from goodwill will be realized when the difference between the goodwill tax base and its carrying amount is reversed, in full or in part, due to impairment of carrying amount of the asset, by disposal or as a result of the provisioning of the amount involved due to the change in the risk assessment of proceedings, currently classified as remote risk of loss, which challenges the amortization, for tax purposes, of goodwill generated in the merger of Bovespa Holding S.A.'s shares into B3 in May 2008 (Note 11 (g)).

Since the income tax and social contribution base arises not only from the profit that may be generated, but also from the existence of nontaxable income, nondeductible expenses, tax incentives and other variables, there is no immediate correlation between B3's net income and the income (loss) subject to income tax and social contribution. As such, expected use of tax credits should not be regarded as the sole evidence of B3's future P&L.

At March 31, 2019, the balance of goodwill that is deductible for income tax and social contribution purposes is R\$4,574,001 (R\$4,925,847 at December 31, 2018)

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

### c. Reconciliation of income tax and social contribution expense

Reconciliation of the income tax and social contribution amounts recorded in P&L (B3 and consolidated) and their respective amounts at statutory rates is as under:

|  | B3               |                  | Consolidated     |                  |
|--|------------------|------------------|------------------|------------------|
|  | 1Q 2019          | 1Q 2018          | 1Q 2019          | 1Q 2018          |
| Income before income tax and social contribution   | 727,911          | 480,987          | 735,526          | 487,607          |
| Income tax and social contribution before additions and exclusions computed at the statutory rate of 34% | (247,490)        | (163,536)        | (250,079)        | (165,786)        |
| Additions:   | (18,258)         | (5,725)          | (18,925)         | (7,445)          |
| Nondeductible expenses - permanent   | (18,258)         | (5,750)          | (18,925)         | (7,471)          |
| Stock option plan and stock grant plans  | -                | (508)            | -                | (508)            |
| Effect of taxes on income abroad   | -                | (1,223)          | -                | -                |
| Exchange rate variation on foreign investment  | -                | 1,756            | -                | 534              |
| Exclusions:  | 144,035          | 2,991            | 139,583          | 342              |
| Equity in income of investees  | 4,960            | 2,991            | 508              | 342              |
| Interest on equity   | 134,300          | -                | 134,300          | -                |
| Effect of profit tax abroad  | 2,269            | -                | 2,269            | -                |
| Exchange rate variation on foreign investment  | 2,506            | -                | 2,506            | -                |
| Other  | -                | 6                | 12               | 18               |
| Income tax and social contribution   | <b>(121,713)</b> | <b>(166,264)</b> | <b>(129,409)</b> | <b>(172,871)</b> |
| Effective rate   | 16.72%           | 34.57%           | 17.59%           | 35.45%           |

### d. Taxes to be offset and recoverable

Taxes to be offset and recoverable are as follows:

| Description                                 | B3             |                | Consolidated   |                |
|---|----------------|----------------|----------------|----------------|
|   | 03/31/2019     | 12/31/2018     | 03/31/2019     | 12/31/2018     |
| IRPJ/CSLL anticipated – current year        | 72,135         | 19,494         | 72,695         | 19,494         |
| IRPJ and CSLL tax losses                    | 160,785        | 55,565         | 160,785        | 56,250         |
| IRRF - financial investments - current year | 18,954         | 72,052         | 19,933         | 73,017         |
| Foreign taxes to be offset                  | 40,046         | 38,106         | 43,134         | 37,574         |
| PIS/Cofins to be offset                     | 23,249         | 19,932         | 24,133         | 20,489         |
| Sundry taxes                                | 13,251         | 23,014         | 14,403         | 26,086         |
| <b>Total</b>                                | <b>328,420</b> | <b>228,163</b> | <b>335,083</b> | <b>232,910</b> |

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

### 17. Revenues

|  | <b>B3</b>        |                  | <b>Consolidated</b> |                  |
|--|------------------|------------------|---------------------|------------------|
|  | <b>1Q 2019</b>   | <b>1Q 2018</b>   | <b>1Q 2019</b>      | <b>1Q 2018</b>   |
| <b>Gross revenue</b>                   | <b>1,506,055</b> | <b>1,216,270</b> | <b>1,531,869</b>    | <b>1,234,565</b> |
| <b>Listed</b>                          | <b>955,129</b>   | <b>729,164</b>   | <b>955,121</b>      | <b>729,275</b>   |
| Cash equities and equities instruments | 629,847          | 452,083          | 629,847             | 452,199          |
| Trading and post-Trading               | 538,608          | 378,210          | 538,608             | 378,210          |
| Depositary                             | 36,857           | 29,565           | 36,857              | 29,565           |
| Securities lending                     | 34,208           | 27,585           | 34,208              | 27,585           |
| Listing and services for issuers       | 20,174           | 16,723           | 20,174              | 16,839           |
| Interest Rates BRL, FX and commodities | 325,282          | 277,081          | 325,274             | 277,076          |
| Trading and post-Trading               | 325,282          | 277,081          | 325,274             | 277,076          |
| <b>OTC</b>                             | <b>240,725</b>   | <b>227,505</b>   | <b>240,725</b>      | <b>227,505</b>   |
| Fixed income                           | 156,769          | 154,133          | 156,769             | 154,133          |
| Derivatives                            | 44,243           | 37,734           | 44,243              | 37,734           |
| Others                                 | 39,713           | 35,638           | 39,713              | 35,638           |
| <b>Infrastructure for financing</b>    | <b>141,198</b>   | <b>106,788</b>   | <b>152,123</b>      | <b>115,653</b>   |
| <b>Technology, data and service</b>    | <b>169,003</b>   | <b>152,813</b>   | <b>183,900</b>      | <b>162,132</b>   |
| Technology and access                  | 107,506          | 101,206          | 108,026             | 101,206          |
| Data and analytics                     | 42,880           | 34,497           | 42,916              | 34,497           |
| Bank (Banco B3 S.A.)                   | -                | -                | 12,081              | 7,632            |
| Others                                 | 18,617           | 17,110           | 20,877              | 18,797           |
| <b>Revenue deductions</b>              | <b>(152,029)</b> | <b>(121,505)</b> | <b>(153,627)</b>    | <b>(122,643)</b> |
| PIS and Cofins                         | (126,804)        | (101,486)        | (127,931)           | (102,280)        |
| Service tax                            | (25,225)         | (20,019)         | (25,696)            | (20,363)         |
| <b>Net revenues</b>                    | <b>1,354,026</b> | <b>1,094,765</b> | <b>1,378,242</b>    | <b>1,111,922</b> |

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

### 18. Sundry expenses

| Description                         | B3              |                 | Consolidated    |                 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                     | 1Q 2019         | 1Q 2018         | 1Q 2019         | 1Q 2018         |
| Expenses with sundry provisions (1) | (47,835)        | (48,034)        | (48,027)        | (48,481)        |
| Contributions and donations         | (266)           | (611)           | (325)           | (639)           |
| Electricity, water and sewage       | (4,286)         | (4,574)         | (4,357)         | (4,677)         |
| Others                              | (4,450)         | (5,179)         | (4,135)         | (5,874)         |
| <b>Total</b>                        | <b>(56,837)</b> | <b>(58,398)</b> | <b>(56,844)</b> | <b>(59,671)</b> |

(1) These refer substantially to provisions for tax, civil and labor contingencies and provision for attorneys' success fees (Note 11). A significant amount of the provision for civil contingencies includes the change in the price of B3-issued shares and the monetary contribution to be paid into the Fund for the Defense of Diffuse Rights, for the purpose of closing the administrative inquiry handled by CADE, whose proposal was included as part of the Consent Order filed on September 11, 2018 and approved, without considering the merits, on October 3, 2018.

### 19. Financial result

|  | B3              |                  | Consolidated    |                  |
|--|-----------------|------------------|-----------------|------------------|
|  | 1Q 2019         | 1Q 2018          | 1Q 2019         | 1Q 2018          |
| <b>Financial income</b>                              |                 |                  |                 |                  |
| Revenue from financial assets measured at fair value | 107,223         | 98,620           | 109,368         | 100,937          |
| Other financial revenues                             | 8,235           | 12,182           | 8,291           | 12,225           |
| Dividends on shares abroad                           | 213             | 529              | 213             | 529              |
| (-) PIS and Cofins on financial revenues             | (6,717)         | (5,364)          | (6,748)         | (5,401)          |
|  | <b>108,954</b>  | <b>105,967</b>   | <b>111,124</b>  | <b>108,290</b>   |
| <b>Financial expenses</b>                            |                 |                  |                 |                  |
| Interest on debt abroad                              | (35,182)        | (31,244)         | (35,182)        | (31,244)         |
| Fair value hedge                                     | (15,119)        | (37,425)         | (15,119)        | (37,425)         |
| Funding interest - Debentures                        | (24,458)        | (50,702)         | (24,458)        | (50,702)         |
| Funding interest - Loans and Financing               | (19,896)        | (16,961)         | (6,636)         | (6,910)          |
| Other financial expenses                             | (3,513)         | (2,809)          | (4,292)         | (3,078)          |
|  | <b>(98,168)</b> | <b>(139,141)</b> | <b>(85,687)</b> | <b>(129,359)</b> |
| <b>Foreign exchange rate, net</b>                    | <b>(11,929)</b> | <b>(8,954)</b>   | <b>(4,656)</b>  | <b>(1,430)</b>   |
| <b>Financial result</b>                              | <b>(1,143)</b>  | <b>(42,128)</b>  | <b>20,781</b>   | <b>(22,499)</b>  |

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued  
 March 31, 2019  
 (In thousands of reais, unless otherwise stated)

### 20. Segment information

Consolidated information based on reports used by the Executive Board for making decisions, comprising the following segments: Listed, OTC, Infrastructure for Financing and Technology, Data and Services. Due to the nature of the business, the Executive Board does not use any information on assets and liabilities by segment to support decision-making.

|                                    |                |                |                                 |                                    | 1Q 2019<br>Consolidated |
|------------------------------------|----------------|----------------|---------------------------------|------------------------------------|-------------------------|
|                                    | Listed         | OTC            | Infrastructure<br>for financing | Technology,<br>data and<br>service | Total                   |
| <b>Revenue</b>                     | <b>856,158</b> | <b>212,517</b> | <b>142,314</b>                  | <b>167,253</b>                     | <b>1,378,242</b>        |
| Adjusted operating expense         | (137,154)      | (48,032)       | (85,066)                        | (36,210)                           | (306,462)               |
| Long-Term Incentive                | (32,019)       | (9,105)        | (4,005)                         | (7,403)                            | (52,532)                |
| Other provisions                   | (31,998)       | (7,055)        | (2,350)                         | (7,033)                            | (48,436)                |
|                                    | <b>654,987</b> | <b>148,325</b> | <b>50,893</b>                   | <b>116,607</b>                     | <b>970,812</b>          |
| Depreciation and amortization      |                |                |                                 |                                    | (257,562)               |
| Equity pick-up                     |                |                |                                 |                                    | 1,495                   |
| Financial result                   |                |                |                                 |                                    | 20,781                  |
| Income tax and social contribution |                |                |                                 |                                    | (129,409)               |
| <b>Net income for the period</b>   |                |                |                                 |                                    | <b>606,117</b>          |

|                                    |                |                |                                 |                                    | 1Q 2018<br>Consolidated |
|------------------------------------|----------------|----------------|---------------------------------|------------------------------------|-------------------------|
|                                    | Listed         | OTC            | Infrastructure<br>for financing | Technology,<br>data and<br>service | Total                   |
| <b>Revenue</b>                     | <b>656,362</b> | <b>196,907</b> | <b>108,939</b>                  | <b>149,714</b>                     | <b>1,111,922</b>        |
| Adjusted operating expense         | (152,138)      | (37,957)       | (51,752)                        | (32,790)                           | (274,637)               |
| Long-Term Incentive                | (29,778)       | (5,512)        | (2,097)                         | (5,038)                            | (42,425)                |
| Other provisions                   | (32,737)       | (6,270)        | (2,935)                         | (7,767)                            | (49,710)                |
|                                    | <b>441,709</b> | <b>147,168</b> | <b>52,154</b>                   | <b>104,119</b>                     | <b>745,150</b>          |
| Depreciation and amortization      |                |                |                                 |                                    | (236,049)               |
| Equity pick-up                     |                |                |                                 |                                    | 1,005                   |
| Financial result                   |                |                |                                 |                                    | (22,499)                |
| Income tax and social contribution |                |                |                                 |                                    | (172,871)               |
| <b>Net income for the period</b>   |                |                |                                 |                                    | <b>314,736</b>          |

## B3 S.A. - Brasil, Bolsa, Balcão

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

### 21. Other information

- a. The balance of salary obligations and social charges in the consolidated refers mainly to the profit sharing (PLR) at March 31, 2019 - R\$54,615 (R\$165,656 at December 31, 2018); long-term incentive programs settled in cash (Matching) - R\$11,543 (R\$8,707 at December 31, 2018); charges on long-term incentive programs - R\$66,551 (R\$76,083 at December 31, 2018); and vacation pay - R\$56,919 (R\$53,693 at December 31, 2018).
- b. At March 31, 2019, the balance of taxes and contributions payable in the consolidated mainly refers to federal taxes and contributions - R\$52,361 (R\$46,454 at December 31, 2018) and withholding taxes and contributions payable - R\$96,325 (R\$71,656 at December 31, 2018).
- c. The balance of earnings and rights on securities under custody refers to dividends and interest on equity received from publicly-held companies to be transferred to custodian agents and by them to their customers, who hold ownership of the shares of these publicly-held companies at March 31, 2019, totaling R\$58,496 (R\$59,850 at December 31, 2018).
- d. B3 seeks in the market support from insurance advisors to establish insurance coverage compatible with its size and operations. The maximum insurance coverage taken out at March 31, 2019, according to insurance policies, is as follows:

| <b>Insurance line</b>                                      | <b>Maximum indemnity</b> |
|--|--------------------------|
| Amounts at risk, property damages, buildings and equipment | 223,810                  |
| Civil liability  | 415,000                  |
| Guarantee (1)  | 4,573,064                |
| Works of art   | 1,040                    |
| <b>Total</b>   | <b><u>5,212,914</u></b>  |

(1) This refers to the provision of collateral to obtain the suspension of the tax debt enforceability.

- e. The APBM&FBOVESPA is a not-for-profit entity engaged in promoting educational, social welfare and sports activities is supported by the BM&FBOVESPA Institute that has B3 as its founding member. figures as a defendant in legal and administrative proceedings involving tax matters, classified as probable loss, most of which are related to challenges by Brazilian IRS about social security contributions allegedly owed by APBM&FBOVESPA on payments made to third parties and on sponsorships to athletes of the BM&FBOVESPA Athletics Club. If the outcome of these proceedings is not favorable to APBM&FBOVESPA, B3 may have to provide funds to maintain the activities of APBM&FBOVESPA. The amount involved in the aforementioned proceedings at March 31, 2019, totals R\$22,530 (R\$22,359 at December 31, 2018).



## **B3 S.A. - Brasil, Bolsa, Balcão**

Notes to quarterly information -- Continued

March 31, 2019

(In thousands of reais, unless otherwise stated)

### **22. Subsequent events**

- a. On March 15, 2019, according to a material news release published, B3 entered into a Private Purchase and Sale Agreement (“Agreement”), with the purpose of acquiring 100% of the capital of Portal de Documentos S.A. (“Portal de Documentos”), a company specialized in digital solutions for procedures of formalization of collection and electronic registration of documents related to the process of vehicle and real estate loan.

The total amount relating to the acquisition of *Portal de Documentos* may reach R\$175.0 million, of which R\$50.0 million is payable in cash and the remaining balance in a period of up to 4 years from the closing of the transaction, depending on compliance with contractual conditions and achievement of financial and operational goals. The completion of this transaction is subject to the implementation of certain regular conditions precedent to this type of transaction, which have not yet been met to date.

This acquisition is in line with the Company’s strategic objective to add value to its customers, as it will increase and diversify the offer of products to banks operating in the vehicle and real estate loan chain.

- b. On April 22, 2019, the Board of Directors approved the second issue of single-series non-privileged unsecured nonconvertible debentures of B3, totaling R\$1,200,000. The net funds obtained with the issue will be fully used for the ordinary management of the Company’s business. As approved by the Board of Directors on May 6, 2019, debentures will yield conventional interest equivalent to 102.80% of the accumulated variation of the daily average rates of the Interbank Deposits of one day, over extra-group. The issue of debentures was completed on May 8, 2019, raising R\$1,200,000.

### **23. Notes submitted in the annual financial statements that are not being fully presented in the quarterly information**

In accordance with CPC 21 (R1) – Interim Financial Reporting and CVM/SNC/SEP Circular Letter No. 003/2011, the following notes have been condensed in this quarterly information, compared to the annual financial statements for the year ended December 31, 2018:

Note 1 – Operations;

Note 2 – Preparation and presentation of the quarterly information;

Note 3 – Significant accounting practices;

Note 8 – Intangible assets;

Note 13 – Related parties transaction;

Note 20 – Segment information.