

- ✓ *Solid volumes growth in equities and derivatives drove revenue and EBITDA increase*
  - ✓ *Intense activity in the local equity and debt capital market*
- ✓ *Incentive programs offered by B3 are supporting brokerage houses in expanding the clients base in both equity market and Treasury Direct*

## 2Q19

### MARKET CAPITALIZATION

R\$77.1 billion (06/28/2019)

R\$93.3 billion (08/08/2019)

### OUTSTANDING SHARES

Weighted average: 2,044,403,045

At end of period: 2,047,572,050

### STOCK PERFORMANCE

Apr'19 to Jun'19: +16.6%

### CONFERENCE CALL (English):Date:

August 09, 2019

Password: B3

Time 12 p.m. (BrT)/ 11 a.m. (NYT)

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### Webcast:

<http://choruscall.com.br/b3/2q19.htm>

[www.b3.com.br/ir](http://www.b3.com.br/ir)

**São Paulo, August 8, 2019** – B3 S.A. – Brasil, Bolsa, Balcão (“B3” or “Company”; ticker: B3SA3) reports today its second-quarter 2019 (2Q19) earnings. Total revenues reached R\$1,579.9 million, a 14.0% increase over the same period of the previous year (2Q18), while recurring EBITDA<sup>1</sup> totaled R\$999.1 million, up by 2.9%. The Company’s recurring net income<sup>2</sup> in 2Q19 totaled R\$785.4 million.

**Chief Executive Officer of B3, Gilson Finkelsztain**, said: “The decrease in interest rates continues to propel the Brazilian capital market, as evidenced by the increase in trading volumes and in equity offerings, which already totaled more than R\$53 billion in 2019. Together with our clients, we continue to focus on accelerating this development through improvements in products, services and systems, and by introducing incentive programs. Examples are incentives for brokerage firms to expand their client base in the equity market and in the Treasury Direct, which totaled more than R\$80 million in the first half of 2019.”

**Chief Financial and Investor Relations Officer, Daniel Sonder**, added: “The diversification of our revenues across several markets that have performed well and the continued discipline in managing expenses has supported the growth of our operating results. In the first 7 months of the year we have already distributed R\$1.07 billion to shareholders through interest on capital, dividends and share buyback.”

### Guidance

B3 revised its guidance for adjusted expenses, as consequence of the acquisition of BLK and Portal de Documentos:

- REVISED: Adjusted expenses<sup>3</sup> (OPEX): R\$1,060 – R\$1,110 million (R\$1,030 – R\$1,080 million previously)
- Depreciation and amortization: R\$1,000 – R\$1,050 million (reaffirmed)
- Revenue-linked expenses: R\$245 – R\$265 million (reaffirmed)
- Capital expenditures (CAPEX): R\$250 – 280 million (reaffirmed)
- Indebtedness at YE19: up to 1.5x Gross debt / recurring LTM EBITDA (reaffirmed)
- Distribution to shareholders: 120% - 150% of IFRS net income (reaffirmed)

More details on Company’s guidance are available on the [Material Fact released on August 8, 2019](#).

### Noteworthy 2Q19 events – at a glance:

- Tax line in comparison with the 2Q18 was impacted by the distribution of interest on capital (R\$395.0 million in 2Q19 versus R\$652.0 million in 2Q18).
- R\$57.8 million in discounts and rebates to incentivize brokerage firms in expanding the individual investor base in the equity depository (R\$14.7 million in discounts) and Treasury Direct (R\$43.1 million in rebates in 2Q19).
- Expenses impacted by the market price of B3SA3 share:
  - R\$27.7 million from provisions for legal disputes, for which a portion of the amount under discussion is updated according to the market price of B3SA3 (in 2Q18, the reversal of this provision reduced expenses in R\$32.4 million).
  - Personnel expenses related to long-term stock-based compensation, reached R\$37.9 million in 2Q19 in comparison with R\$13.8 million 2Q18.

### Income statement summary (in R\$ million)

	2Q19	2Q18	2Q19/2Q18 (%)	1Q19	2Q19/1Q19 (%)	1H19	1H18	1H19/1H18 (%)
Total revenues	1,579.9	1,386.2	14.0%	1,531.9	3.1%	3,111.7	2,620.7	18.7%
Net revenue	1,421.1	1,250.5	13.6%	1,378.2	3.1%	2,799.3	2,362.4	18.5%
Expenses	(679.5)	(531.6)	27.8%	(665.0)	2.2%	(1,344.5)	(1,134.4)	18.5%
Financial result	55.6	(57.2)	-197.3%	20.8	167.5%	76.4	(79.7)	-195.9%
Net income	654.6	725.2	-9.7%	606.1	8.0%	1,260.7	1,039.9	21.2%
Adjusted expenses	(249.9)	(237.2)	5.3%	(231.6)	7.9%	(481.5)	(461.9)	4.2%
Recurring EBITDA	999.1	971.2	2.9%	970.8	2.9%	1,969.9	1,731.4	13.8%
Recurring EBITDA margin	70.3%	77.7%	-735 bps	70.4%	-13 bps	70.4%	73.3%	-292 bps
Recurring net income	785.4	857.9	-8.5%	736.5	6.6%	1,521.9	1,306.1	16.5%

<sup>1</sup> See reconciliation on page 3.

<sup>2</sup> See reconciliation on page 4.

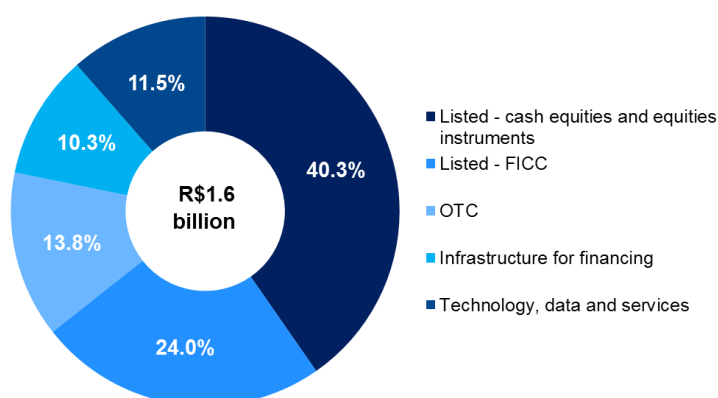
<sup>3</sup> See reconciliation on page 3.

## ANALYSIS OF 2Q19 EARNINGS

### REVENUES

**Total revenues:** totaled R\$1,579.9 million in 2Q19, up by 14.0% over 2Q18, mainly due to the growth in the Listed and Infrastructure for financing segments revenues.

2Q19 Revenues Breakdown (% of total revenues)



**Listed:** totaled R\$1,016.8 million in the quarter (64.4% of the total), 18.2% higher than in 2Q18.

- **Cash equities and equities instruments:** R\$637.1 million (40.3% of the total), a 25.6% increase in the period.

Trading and post-trading: R\$542.6 million (34.3% of the total), 26.4% higher than in 2Q18, reflecting the growth in the volumes traded in the period, both in the cash equities market and Stock indices future contracts, with average volumes increasing by 22.1% and 109.4%, respectively.

Depository: R\$29.6 million (1.9% of the total), up by 1.6% in the period. The 58.4% increase in the average number of accounts in the depository wasn't reflected into revenues because of the incentive program offered to brokerage firms aiming to expand the individual investor base in the cash equities market. According to this program, brokerage firms who achieve performance goals related to growth in number of accounts and outstanding positions receive bonuses in the form of partial exemptions from the custody fee<sup>4</sup> (these bonuses reached R\$14.7 million in the quarter).

Stock lending: R\$37.4 million (2.4% of the total), 34.3% higher than in 2Q18, due to the 38.6% increase in the average financial volume of outstanding positions.

Listing and solutions for issuers: R\$27.5 million (1.7% of total), up by 30.8% compared to 2Q18, mainly as a result of the greater number of public offerings in 2Q19 (2 IPOs and 7 follow-ons that totaled R\$24.0 billion).

- **FICC:** R\$379.7 million (24.0% of the total), a 7.6% increase in the period, reflecting both the increase in the average daily volume traded and in the average revenue per contract (RPC) in the period, mainly as a result of the US dollar-denominated contracts (FX rates and Interest rates in USD), taking into account the 11.9% appreciation of the US Dollar against the Real during the period<sup>5</sup>.

**OTC:** R\$218.6 million (13.8% of the total), a decrease of 8.5% when compared to 2Q18.

- Fixed income: R\$131.3 million (8.3% of total), down 17.1% in relation to 2Q18, mainly as a result of the impact of the new incentive program to expand Treasury Direct investor base, introduced at the start of the year. Similar to the incentive program in the equity depository, this program sets targets for growth of number of investors and outstanding positions<sup>6</sup> that, when achieved, provide revenue rebates for brokerage firms. With the strong demand for this product in 2Q19, the negative impact on revenue was R\$5.6 million (rebates totaled R\$43.1 million versus revenues of R\$37.5 million in the period; in 2Q18, revenues totaled R\$27.5 million, net of rebates).
- OTC Derivatives: R\$47.8 million (3.0% of the total), 8.2% higher than in 2Q18, due to the higher volume of structured notes and FX swap contracts registered, in addition to the appreciation of the US Dollar against the Real during the period, with a positive impact on FX related derivatives.
- Other: R\$39.5 million (2.5% of the total), up by 8.7% over the 2Q18, reflecting the growth in the volume of mutual funds quotas under custody.

**Infrastructure for financing:** R\$163.2 million (10.3% of the total), a 35.8% increase when compared to 2Q18. This increase can be attributed to (i) the effects of changes in the Contract System's business models in certain states in 2018 and at the beginning of 2019, (ii) the annual adjustment in prices by inflation and (iii) the 11.0% growth in the number of vehicles financed.

**Technology, data and services:** R\$181.3 million (11.5% of the total), up by 8.7% over the 2Q18.

<sup>4</sup>The results of the incentive programs aimed at attracting investors to the cash equities market are measured and distributed every six months.

<sup>5</sup> The average RPC of FX rate and interest rate contracts in USD in 2Q19 takes into account the average PTAX closing price at the end of Mar/19, Apr/19 and May/19 (R\$3.93), while the average RPC for 2Q18 takes into account the average PTAX closing price at the end of Mar/18, Apr/18 and May/18 (R\$ 3.51).

<sup>6</sup> The results of the incentive programs aimed at attracting investors to Treasury Direct are measured and distributed every six months.

- **Technology and access:** R\$109.3 million (6.9% of the total), a 6.2% increase over 2Q18, mainly as a result of the increase in the number of customers accessing the OTC segment platforms.
- **Data and analytics:** R\$44.4 million (2.8% of the total), an increase of 19.7% over 2Q18, mainly due to the appreciation of the US Dollar against the Real, given that 57.8% of this revenue is linked to the US Dollar, and due to the increase in the client base.
- **B3 Bank:** amounted to R\$11.5 million in 2Q19 (0.7% of the total), an increase of 45.7% over 2Q18, as a result of the growth in the number of transactions carried out by foreign clients who use B3 Bank's custody services.

**Net Revenue:** a 13.6% increase over 2Q18, totaling R\$1,421.1 million in 2Q19.

## EXPENSES<sup>7</sup>

**Expenses:** Expenses totaled R\$679.5 million in 2Q19, a 27.8% increase over the same period of the previous year, mainly due to the increase in revenue-linked expenses in 2Q19 and the reducing impact that expenses linked to the market price of B3SA3 share had on total expenses in 2Q18.

**Adjusted expenses:** totaled R\$249.9 million, up 5.3% over 2Q18.

### Reconciliation of adjusted expenses (R\$ millions)

Adjustments to expenses	2Q19	2Q18	2Q19/2Q18 (%)	1Q19	2Q19/1Q19 (%)	1H19	1H18	1H19/1H18 (%)
<b>Expenses</b>	<b>(679.5)</b>	<b>(531.6)</b>	27.8%	<b>(665.0)</b>	2.2%	<b>(1,344.5)</b>	<b>(1,134.4)</b>	18.5%
(+) Depreciation and amortization	257.6	237.2	8.6%	257.6	0.0%	515.1	473.3	8.8%
(+) Long term stock-based compensation	37.9	13.8	175.6%	52.5	-27.8%	90.5	48.7	85.9%
(+) Expenses related to the combination with Cetip	-	15.0	-	-	-	-	30.0	-
(+) Provisions (recurring and non-recurring)	48.8	(18.5)	-364.0%	48.4	0.7%	97.2	31.2	211.2%
(+) Revenue-linked expenses	85.4	46.8	82.2%	74.9	14.0%	160.3	89.3	79.5%
<b>Adjusted expenses</b>	<b>(249.9)</b>	<b>(237.2)</b>	5.3%	<b>(231.6)</b>	7.9%	<b>(481.5)</b>	<b>(461.9)</b>	4.2%

**Personnel:** R\$192.7 million in 2Q19, an 15.2% increase over 2Q18, due to the increase in expenses related to provisions for the long-term stock-based incentive plan<sup>8</sup>, which had been impacted by the reduction in the market price of B3SA3 share in 2Q18. Disregarding the long-term incentive expenses, personnel expenses would have grown by 0.8%.

**Depreciation and amortization:** R\$257.6 million in 2Q19, an 8.6% increase over 2Q18, as a result of the adjustment made to the amortization curve of intangible assets recognized in connection with the acquisition of Cetip (R\$197.9 million in 2Q19 versus R\$187.2 million in 2Q18), the start of the amortization of systems that became operational and the acceleration of the depreciation of fixed assets as a result of the retrofit project at our corporate headquarters.

**Revenue-linked expense:** R\$85.4 million in 2Q19, an 82.2% increase over 2Q18, explained by the implementation of a new business model in the Contracts System of the Infrastructure for financing segment, as explained in previous quarters.

**Third-party services:** totaled R\$18.1 million in 2Q19, a 10.8% decrease when compared to 2Q18, due to the reduction in expenses with advisors and consultants related to the combination with Cetip and expenses with legal services, partially offset by higher expenses related to projects.

**Others:** totaled R\$60.5 million in 2Q19. The most significant item in this expense group are provisions, which consist for the most part of updates of provisions related to legal disputes for which part of the amount under discussion is updated in accordance with the share price of B3SA3<sup>9</sup> and which had a negative effect of \$27.7 million in 2Q19 (when compared to a positive effect of R\$32.4 million in 2Q18) due to the increase in the market price of B3SA3 share.

## RECURRING EBITDA

**Recurring EBITDA:** totaled R\$999.1 million, up by 2.9% over 2Q18. The recurring EBITDA margin was 70.3%, down by 735 bps year-on-year.

### Reconciliation of recurring EBITDA (R\$ millions)

	2Q19	2Q18	2Q19/2Q18 (%)	1Q19	2Q19/1Q19 (%)	1H19	1H18	1H19/1H18 (%)
<b>EBITDA</b>	<b>999.1</b>	<b>956.2</b>	4.5%	<b>970.8</b>	2.9%	<b>1,969.9</b>	<b>1,701.3</b>	15.8%
(+) Expenses related to the combination with Cetip	-	15.0	-	-	-	-	30.0	-
<b>Recurring EBITDA</b>	<b>999.1</b>	<b>971.2</b>	2.9%	<b>970.8</b>	2.9%	<b>1,969.9</b>	<b>1,731.4</b>	13.8%
<i>Recurring EBITDA margin</i>	70.3%	77.7%	-735 bps	70.4%	-13 bps	70.4%	73.3%	-292 bps

## OTHER FINANCIAL HIGHLIGHTS

**Cash and cash equivalents and financial investments:** cash and cash equivalents and short and long-term investments at the end of Jun'19 totaled R\$11,225.8 million, mainly comprised of: (i) B3's own cash, which totaled R\$7,574.3 million and includes the funds required for the Company's activities

<sup>7</sup> Considering that the expense line related to the combination with Cetip does not exist the 2Q19 financial statements and in order to preserve comparability, this group of expenses recognized in 2Q18 were reclassified to the lines where the expense (ie, personnel, third-party services, among others) was due.

<sup>8</sup> The provisions for payroll charges related to the long-term stock-based incentive plan are restated in line with B3SA3 share price. B3SA3 closing price at the end of Jun'18 was R\$20.45 and R\$26.69 at the end of Mar'18. In 1Q19, the Company contracted derivatives related to the price of its own shares, aiming to reduce the variations in provisions for payroll charges. These derivatives consider an average price for the B3SA3 share of around R\$31.00.

<sup>9</sup>The number of shares equivalent to the amounts under discussion is 5,186,739 B3SA3 shares. B3SA3's closing price was R\$37.46 at the end of Jun/19, against R\$32.12 at the end of Mar/19, an increase of 16.6%.

and R\$390 million in interest on capital and R\$211,2 million in dividends paid in Jul'19; and (ii) R\$2,719.6 million in third-party funds, which include collateral deposited in cash by customers in the Company's clearing houses.

**Indebtedness:** at the end of 2Q19, the Company's gross debt was R\$5.5 billion (68.3% long-term and 31.7% short-term), which corresponds to 1.5x the recurring EBITDA for the last 12 months. Gross debt includes notional plus accrued interest, as well as the net financial exposure in derivatives to hedge the US Dollar-denominated debt. The most significant maturities are: (i) R\$1.5 billion in Dec'19; and (ii) USD 612 million (R\$2.4 billion) in Jul'20, which are fully hedged for the notional and interest since Mar'18 and (iii) R\$ 1.2 billion in debentures recently issued in the local market due in May'22<sup>10</sup>.

**Financial result:** totaled R\$55.6 million in 2Q19. Financial revenues totaled R\$149.2 million, a 23.1% increase over the same period the year before, mainly explained by the increase in the company's average cash position. Financial expenses totaled R\$102.3 million, a 42.5% drop when compared to 2Q18, mainly as a result of the Company's lower average level of indebtedness during the quarter.

**Income tax and social contribution:** totaled R\$143.1 million in 2Q19 and were impacted by the distribution of interest on capital in the amount of R\$390.0 million. Cash tax totaled R\$4.3 million in the quarter, while the temporary difference from the goodwill amortization for tax purposes was R\$119.6 million.

**Net income (attributable to shareholders):** totaled R\$654.8 million, a 9.6% decrease in relation to 2Q18, mainly as a result of increases (i) in income tax and social contribution, given that in 2Q18 the reduction in the tax base due to the payment of interest on capital was greater and (ii) in expenses related to the share price (payroll charges and provisions).

#### Reconciliation of net income (R\$ million)

	2Q19	2Q18	2Q19/2Q18 (%)	1Q19	2Q19/1Q19 (%)	1H19	1H18	1H19/1H18 (%)
<b>Net income (attributable to shareholders)</b>	<b>654.8</b>	<b>724.4</b>	-9.6%	<b>606.2</b>	8.0%	<b>1,261.0</b>	<b>1,039.2</b>	21.3%
(+) Expenses related to the combination with Cetip	-	9.9	-	-	-	-	19.8	-
(+) Amortization of intangibles from combination with Cetip	130.6	123.5	5.7%	130.3	0.2%	260.9	247.1	5.6%
<b>Recurring net income</b>	<b>785.4</b>	<b>857.8</b>	-8.5%	<b>736.5</b>	6.6%	<b>1,521.9</b>	<b>1,306.1</b>	16.5%
(+) Deferred Tax (goodwill from Cetip combination)	119.6	119.6	0.0%	119.6	0.0%	239.3	239.3	0.0%
<b>Recurring net income adjusted by goodwill tax benefit</b>	<b>905.0</b>	<b>977.5</b>	-7.4%	<b>856.1</b>	5.7%	<b>1,761.1</b>	<b>1,545.3</b>	14.0%

**CAPEX:** amounted to R\$34.6 million in 2Q19, mainly related to upgrades of systems and technology for all of segments in which B3 operates, as well as to product development and to the retrofit project of the Company's headquarters (engineering, furniture and technology). In the first half of 2019, the investments totaled R\$99.7 million.

**Distributions to shareholders:** In Jun/19, the Board of Directors approved distribution of interest on capital and dividends in the amounts of R\$390.0 million and R\$211.2 million, respectively. Such amounts were paid on July 17, 2019. It should also be pointed out that on June 26, 2019 the Company announced a share buyback program with a maximum amount of 38.5 million shares up until the end of Feb'20. In July, the Company acquired 1,962,800 million shares, which translates into a financial volume of R\$75.5 million.

## PERFORMANCE BY SEGMENT

### Listed

**Equities:** the highlights in the equities segment were the 22.1% growth in the average daily traded value on the cash equities market and the 109.4% increase in the volumes of Stock indices futures contracts, both compared to 2Q18. In the cash equities market, this increase reflects both the 15.7% growth in the average market capitalization<sup>11</sup> and the higher turnover velocity<sup>12</sup>, which reached 95.2% in 2Q19. In the future contracts market, the positive performance can be attributed to the growth in trading of Mini contracts, particularly by individual investors and High Frequency Traders (HFT).

The trading/post-trading margin in cash equities totaled 4.382 bps in 2Q19 versus 4.660 bps in 2Q18, with the decrease mostly explained by (i) the greater participation of day trades and local institutional investors, whose fees are lower; and (ii) marginal discounts to the market in accordance with B3's pricing policy<sup>13</sup>. The average RPC of Stock indices futures contracts in the period increased by 21.3%, mainly due to the new way B3 charges for these contracts since Mar'19 (announced on Dec'18).

It is also worth noting the 58.4% growth in the number of active investors in the equities depository, evidencing the increased interest in diversifying investments in a low interest rate scenario. B3 has supported, with incentive programs, brokerage firms that have been dedicated to attracting new clients to the equities market (financial impact described above).

**FXCC:** average daily volume totaled 3.9 million contracts in 2Q19, up by 6.6% when compared to the same period last year, reflecting the increase in the volume traded of all contracts, except Commodities. The highlight was the volume of Interest rates in BRL contracts, which was driven by the growth of option contracts, given the expectation of changes in interest rates in the short- and medium-term. Average RPC increased 1.3% compared to 2Q18, mainly influenced by the 11.9% appreciation of the US Dollar against the Real during the period<sup>14</sup>, which positively impacted the RPC of Interest rate in USD, FX rates and Commodities contracts, together with the new pricing policies, which also affects several products that are pegged

<sup>10</sup> The 2049 debentures issued in 2019, have their first put date (renegotiation date) in May'22.

<sup>11</sup> Market capitalization is obtained by multiplying the number of shares issued by the listed companies by their respective market prices.

<sup>12</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>13</sup> According to the prevailing fee schedule, marginal discounts are granted to the entire market whenever the month's average daily traded value exceeds the levels of R\$9 billion, R\$11 billion and R\$13 billion.

<sup>14</sup> The average RPC of FX rate and interest rate contracts in USD in 2Q19 takes into account the average PTAX closing price at the end of Mar/19, Apr/19 and May/19 (R\$3.93), while the average RPC for 2Q18 takes into account the average PTAX closing price at the end of Mar/18, Apr/18 and May/18 (R\$ 3.51).

to the USD. On the other hand, there was a decrease in the RPC of Interest Rate in BRL contracts due to the higher participation of options contracts, which have a lower RPC, in the traded volume of this group of contracts.

## OTC

**Fixed Income:** in 2Q19, the volume of new issues and the outstanding positions of registered bank funding instruments showed a 6.4% and a 11.3% increase, respectively, over the same period the year before, mainly as a result of the growth in issues of Bank Certificates of Deposit. In the opposite direction and even considering the increase in issues in the local capital market, the average outstanding positions of corporate bonds fell 11.3%, mainly as a result of the significant volume of redemptions of debentures issued by leasing companies (linked to financial conglomerates), due to regulatory changes<sup>15</sup>.

Another highlight of the fixed income market was the sharp growth of Treasury Direct, whose number of investors increased by 70.9% and outstanding position grew by 28.5%, showing the increase of interest of investors for greater diversification of their investments. In this context and recognizing the importance of this product to attracting new customers, B3 introduced in Jan'19 a new incentive program that rewards brokerage firms that achieve growth targets for number of investors and outstanding positions of this product. This incentive program is an example of how the Company supports its clients in the development of the Brazilian market (financial impact described above).

**Derivatives:** the registration of new issues on the OTC derivatives and structured notes market recorded growth of 4.9% in 2Q19 when compared to 2Q18, mostly concentrated in FX swap and forward contracts. The average volume of outstanding positions rose 13.8% as a result of the positive impact of the appreciation of the US Dollar against the Real, given that most of these contracts are dollar-denominated.

**Infrastructure for Financing:** in 2Q19, the number of additions in the National Liens System (SNG) showed an 11.0% growth when compared to 2Q18, which can be explained by the 2.6% increase in the total number of vehicles sold added to the higher credit penetration, which increased from 30.0% in 2Q18 to 32.4% in 2Q19.

In the Contracts System, the number of contracts transmitted in 2Q19 was 5.0% higher than in 2Q18, reflecting the growth in the number of vehicles financed, which was partially offset by the reduction in B3's market share, from 63.0% in 2Q18 to 59.7% in 2Q19, explained by the interruption of B3's service in the state of Paraná in Oct'18. On the other hand, the return of the service in the states of Minas Gerais and Piauí had a positive impact on the quarter's figures from May'19 onward, which explains the increase in market share when compared to 1Q19.

**Technology, Data and Services:** The average number of clients that pay the monthly utilization fees related to services in the OTC segment was up by 6.7% over the same period the year before, as a result of the entry of credit unions as clients in Aug'18. The number of processed electronic cash transfers (EFT) during the quarter was 28.9% higher than in 2Q18.

<sup>15</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.

## SUMMARY OF CONSOLIDATED BALANCE SHEET

ASSETS	June 30, 2019	Dec 31, 2018	LIABILITIES AND EQUITY	June 30, 2019	Dec 31, 2018
<b>Current assets</b>	<b>10,323,038</b>	<b>7,475,618</b>	<b>Current liabilities</b>	<b>6,365,733</b>	<b>5,755,789</b>
Cash and cash equivalents	520,253	329,687	Collateral for transactions	2,645,377	2,110,933
Financial investments	8,927,165	6,487,587	Financial instruments for hedge	1,150	7,288
Others	875,620	658,344	Loan	1,780,589	1,777,213
<b>Noncurrent assets</b>	<b>29,851,898</b>	<b>30,196,627</b>	Others	1,938,617	1,860,355
<b>Long-term receivables</b>	<b>2,306,550</b>	<b>2,388,707</b>	<b>Noncurrent liabilities</b>	<b>8,463,025</b>	<b>6,872,260</b>
Financial investments	1,778,370	1,755,193	Debt issued abroad	3,959,012	2,731,946
Others	528,180	633,514	Deferred inc. tax and social contrib.	3,589,333	3,344,440
<b>Investments</b>	<b>46,818</b>	<b>45,591</b>	Others	914,680	795,874
<b>Property and equipment, net</b>	<b>637,135</b>	<b>627,325</b>	<b>Equity</b>	<b>25,346,178</b>	<b>25,044,196</b>
<b>Intangible assets</b>	<b>26,861,395</b>	<b>27,135,004</b>	Capital	3,548,655	3,548,655
Goodwill	22,415,901	22,338,799	Capital reserve	18,070,656	18,066,178
Software and projects	4,445,494	4,796,205	Others	3,713,565	3,418,136
			Non-controlling interests	13,302	11,227
<b>Total Assets</b>	<b>40,174,936</b>	<b>37,672,245</b>	<b>Total liabilities and equity</b>	<b>40,174,936</b>	<b>37,672,245</b>



**IFRS ACCOUNTING INCOME STATEMENT**

<i>(In thousand of Brazilian Reals, unless otherwise indicated)</i>	2Q19	2Q18	2Q19/2Q18 (%)	1Q19	2Q19/1Q19 (%)	1H19	1H18	1H19/1H18 (%)
<b>Total revenue</b>	<b>1,579,871</b>	<b>1,386,172</b>	<b>14.0%</b>	<b>1,531,869</b>	<b>3.1%</b>	<b>3,111,740</b>	<b>2,620,737</b>	<b>18.7%</b>
<b>Listed</b>	<b>1,016,811</b>	<b>860,365</b>	<b>18.2%</b>	<b>955,121</b>	<b>6.5%</b>	<b>1,971,932</b>	<b>1,589,640</b>	<b>24.0%</b>
<b>Cash equities and equities instruments</b>	<b>637,104</b>	<b>507,317</b>	<b>25.6%</b>	<b>629,847</b>	<b>1.2%</b>	<b>1,266,951</b>	<b>959,516</b>	<b>32.0%</b>
Trading and post-Trading	542,641	429,352	26.4%	538,608	0.7%	1,081,249	807,562	33.9%
Depository	29,582	29,103	1.6%	36,857	-19.7%	66,439	58,668	13.2%
Securities lending	37,431	27,870	34.3%	34,208	9.4%	71,639	55,455	29.2%
Listing and services for issuers	27,450	20,992	30.8%	20,174	36.1%	47,624	37,831	25.9%
<b>Interest Rates BRL, FX and commodities</b>	<b>379,707</b>	<b>353,048</b>	<b>7.6%</b>	<b>325,274</b>	<b>16.7%</b>	<b>704,981</b>	<b>630,124</b>	<b>11.9%</b>
Trading and Post-Trading	379,707	353,048	7.6%	325,274	16.7%	704,981	630,124	11.9%
<b>OTC</b>	<b>218,566</b>	<b>238,922</b>	<b>-8.5%</b>	<b>240,725</b>	<b>-9.2%</b>	<b>459,291</b>	<b>466,427</b>	<b>-1.5%</b>
Fixed Income	131,328	158,450	-17.1%	156,769	-16.2%	288,097	312,583	-7.8%
Derivatives	47,760	44,148	8.2%	44,243	7.9%	92,003	81,882	12.4%
Other	39,478	36,324	8.7%	39,713	-0.6%	79,191	71,962	10.0%
<b>Infrastructure for financing</b>	<b>163,176</b>	<b>120,153</b>	<b>35.8%</b>	<b>152,123</b>	<b>7.3%</b>	<b>315,299</b>	<b>235,806</b>	<b>33.7%</b>
<b>Technology, data and services</b>	<b>181,318</b>	<b>166,732</b>	<b>8.7%</b>	<b>183,900</b>	<b>-1.4%</b>	<b>365,218</b>	<b>328,864</b>	<b>11.1%</b>
Technology and access	109,329	102,951	6.2%	108,026	1.2%	217,355	204,157	6.5%
Data and analytics	44,449	37,128	19.7%	42,916	3.6%	87,365	71,625	22.0%
Bank	11,531	7,913	45.7%	12,081	-4.6%	23,612	15,545	51.9%
Other	16,009	18,740	-14.6%	20,877	-23.3%	36,886	37,537	-1.7%
<b>Revenue deductions</b>	<b>(158,792)</b>	<b>(135,648)</b>	<b>17.1%</b>	<b>(153,627)</b>	<b>3.4%</b>	<b>(312,419)</b>	<b>(258,291)</b>	<b>21.0%</b>
PIS and Cofins	(132,137)	(113,652)	16.3%	(127,931)	3.3%	(260,068)	(215,932)	20.4%
Service tax	(26,655)	(21,996)	21.2%	(25,696)	3.7%	(52,351)	(42,359)	23.6%
<b>Net revenues</b>	<b>1,421,079</b>	<b>1,250,524</b>	<b>13.6%</b>	<b>1,378,242</b>	<b>3.1%</b>	<b>2,799,321</b>	<b>2,362,446</b>	<b>18.5%</b>
<b>Expenses</b>	<b>(679,548)</b>	<b>(531,563)</b>	<b>27.8%</b>	<b>(664,992)</b>	<b>2.2%</b>	<b>(1,344,540)</b>	<b>(1,134,384)</b>	<b>18.5%</b>
Personnel	(192,657)	(167,212)	15.2%	(202,078)	-4.7%	(394,735)	(356,137)	10.8%
Data processing	(43,946)	(44,570)	-1.4%	(38,658)	13.7%	(82,604)	(88,005)	-6.1%
Depreciation and amortization	(257,573)	(237,238)	8.6%	(257,562)	0.0%	(515,135)	(473,287)	8.8%
Revenue-linked expenses	(85,355)	(46,848)	82.2%	(74,900)	14.0%	(160,255)	(89,287)	79.5%
Third-party services	(18,072)	(20,267)	-10.8%	(18,653)	-3.1%	(36,725)	(35,435)	3.6%
Maintenance	(5,189)	(5,205)	-0.3%	(5,652)	-8.2%	(10,841)	(10,817)	0.2%
Communication	(784)	(528)	48.5%	(714)	9.8%	(1,498)	(1,649)	-9.2%
Marketing	(6,156)	(8,245)	-25.3%	(4,174)	47.5%	(10,330)	(12,378)	-16.5%
Taxes	(4,425)	(3,100)	42.7%	(2,919)	51.6%	(7,344)	(5,727)	28.2%
Board and committee members' compensation	(4,881)	(4,042)	20.8%	(2,838)	72.0%	(7,719)	(7,683)	0.5%
Others	(60,510)	5,692	-1163.1%	(56,844)	6.4%	(117,354)	(53,979)	117.4%
<b>Operating income</b>	<b>741,531</b>	<b>718,961</b>	<b>3.1%</b>	<b>713,250</b>	<b>4.0%</b>	<b>1,454,781</b>	<b>1,228,062</b>	<b>18.5%</b>
<i>Operating margin</i>	<i>52.2%</i>	<i>57.5%</i>	<i>-531 bps</i>	<i>51.8%</i>	<i>43 bps</i>	<i>52.0%</i>	<i>52.0%</i>	<i>-1 bps</i>
<b>Equity in income of investees</b>	<b>491</b>	<b>274</b>	<b>79.2%</b>	<b>1,495</b>	<b>-67.2%</b>	<b>1,986</b>	<b>1,279</b>	<b>55.3%</b>
<b>Financial result</b>	<b>55,597</b>	<b>(57,160)</b>	<b>-197.3%</b>	<b>20,781</b>	<b>167.5%</b>	<b>76,378</b>	<b>(79,659)</b>	<b>-195.9%</b>
Financial income	149,165	121,222	23.1%	111,124	34.2%	260,289	229,512	13.4%
Financial expenses	(102,348)	(177,883)	-42.5%	(85,687)	19.4%	(188,035)	(307,242)	-38.8%
Net FX variation	8,780	(499)	-1859.5%	(4,656)	-288.6%	4,124	(1,929)	-313.8%
<b>Income before taxes</b>	<b>797,619</b>	<b>662,075</b>	<b>20.5%</b>	<b>735,526</b>	<b>8.4%</b>	<b>1,533,145</b>	<b>1,149,682</b>	<b>33.4%</b>
<b>Income tax and social contribution</b>	<b>(143,069)</b>	<b>63,132</b>	<b>-326.6%</b>	<b>(129,409)</b>	<b>10.6%</b>	<b>(272,478)</b>	<b>(109,739)</b>	<b>148.3%</b>
Current	(33,392)	25,002	-233.6%	(5,769)	478.8%	(39,161)	428	-9249.8%
Deferred	(109,677)	38,130	-387.6%	(123,640)	-11.3%	(233,317)	(110,167)	111.8%
<b>Net income</b>	<b>654,550</b>	<b>725,207</b>	<b>-9.7%</b>	<b>606,117</b>	<b>8.0%</b>	<b>1,260,667</b>	<b>1,039,943</b>	<b>21.2%</b>
<i>Net margin</i>	<i>46.1%</i>	<i>58.0%</i>	<i>-1,193 bps</i>	<i>44.0%</i>	<i>208 bps</i>	<i>45.0%</i>	<i>44.0%</i>	<i>101 bps</i>
<b>Attributable to:</b>								
B3's shareholders	<b>654,769</b>	<b>724,435</b>	<b>-9.6%</b>	<b>606,198</b>	<b>8.0%</b>	<b>1,260,967</b>	<b>1,039,158</b>	<b>21.3%</b>
<i>Net margin</i>	<i>46.1%</i>	<i>57.9%</i>	<i>-1,186 bps</i>	<i>44.0%</i>	<i>209 bps</i>	<i>45.0%</i>	<i>44.0%</i>	<i>106 bps</i>
Minority interest	(219)	772	-128.4%	(81)	170.4%	(300)	785	-138.2%

## FORMER REVENUE SEGMENTATION

(In thousand of Brazilian Reals, unless otherwise indicated)	2Q19	2Q18	2Q19/2Q18 (%)	1Q19	2Q19/1Q19 (%)	1H19	1H18	1H19/1H18 (%)
<b>Total revenues</b>	<b>1,579,871</b>	<b>1,386,172</b>	<b>14.0%</b>	<b>1,531,869</b>	<b>3.1%</b>	<b>3,111,740</b>	<b>2,620,737</b>	<b>18.7%</b>
<b>Trading/settlement - BM&amp;F</b>	<b>480,676</b>	<b>395,147</b>	<b>21.6%</b>	<b>395,275</b>	<b>21.6%</b>	<b>875,951</b>	<b>704,349</b>	<b>24.4%</b>
Derivatives	474,370	389,793	21.7%	389,289	21.9%	863,658	694,406	24.4%
Foreign exchange	6,307	5,354	17.8%	5,986	5.4%	12,293	9,943	23.6%
<b>Trading/settlement - Bovespa</b>	<b>462,775</b>	<b>399,442</b>	<b>15.9%</b>	<b>484,792</b>	<b>-4.5%</b>	<b>947,567</b>	<b>753,747</b>	<b>25.7%</b>
Trading fees	65,269	60,823	7.3%	69,875	-6.6%	135,145	116,592	15.9%
Clearing fees	381,321	330,128	15.5%	403,214	-5.4%	784,535	623,841	25.8%
Other	16,185	8,491	90.6%	11,703	38.3%	27,888	13,314	109.5%
<b>Cetip Securities segment</b>	<b>317,066</b>	<b>302,205</b>	<b>4.9%</b>	<b>315,905</b>	<b>0.4%</b>	<b>632,971</b>	<b>591,113</b>	<b>7.1%</b>
Registration fees	37,031	33,511	10.5%	31,880	16.2%	68,911	63,135	9.1%
Maintenance (CSD/TR)	142,455	134,461	5.9%	140,789	1.2%	283,244	260,553	8.7%
Monthly utilization	77,413	73,760	5.0%	76,323	1.4%	153,737	148,736	3.4%
Transaction fees	30,448	28,514	6.8%	35,652	-14.6%	66,100	56,266	17.5%
Other revenue from services	29,719	31,959	-7.0%	31,259	-4.9%	60,979	62,423	-2.3%
<b>Cetip Financing segment</b>	<b>170,432</b>	<b>125,134</b>	<b>36.2%</b>	<b>157,481</b>	<b>8.2%</b>	<b>327,913</b>	<b>245,432</b>	<b>33.6%</b>
SNG	53,620	45,184	18.7%	51,192	4.7%	104,813	87,808	19.4%
Contracts Systems (Sircof)	89,496	62,012	44.3%	83,721	6.9%	173,217	122,210	41.7%
Market data and Development of solutions	25,426	17,534	45.0%	22,018	15.5%	47,445	34,668	36.9%
Other revenue from services	1,890	404	367.7%	549	244.3%	2,438	746	226.9%
<b>Other revenues</b>	<b>148,922</b>	<b>164,244</b>	<b>-9.3%</b>	<b>178,417</b>	<b>-16.5%</b>	<b>327,338</b>	<b>326,096</b>	<b>0.4%</b>
Securities lending	37,431	27,869	34.3%	34,208	9.4%	71,639	55,454	29.2%
Listing	16,592	15,705	5.6%	15,970	3.9%	32,562	30,966	5.2%
Depository, custody and back-office	27,933	60,963	-54.2%	60,556	-53.9%	88,489	121,959	-27.4%
Trading access (Brokers)	15,888	11,517	38.0%	13,812	15.0%	29,700	23,112	28.5%
Vendors - quotations and market informatior	35,028	29,820	17.5%	34,781	0.7%	69,809	57,517	21.4%
BM&FBOVESPA bank	11,530	7,913	45.7%	12,081	-4.6%	23,612	15,545	51.9%
Others	4,520	10,457	-56.8%	7,007	-35.5%	11,527	21,543	-46.5%
<b>Revenue deductions</b>	<b>(158,792)</b>	<b>(135,648)</b>	<b>17.1%</b>	<b>(153,627)</b>	<b>3.4%</b>	<b>(312,419)</b>	<b>(258,291)</b>	<b>21.0%</b>
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