

*Growth in clients' business in all segments, helped by the introduction of incentives, discounts and products by B3 explains solid performance in the period*

# 4Q18

**MARKET CAPITALIZATION**

R\$55.2 billion (12/31/2018)  
R\$66.6 billion (2/21/2019)

**OUTSTANDING SHARES**

Weighted average: 2,039,194,269  
At end of period: 2,044,215,807

**STOCK PERFORMANCE**

Oct'18 to Dec'18 : +14.6%

**CONFERENCE CALL (English):**

Date: February 22, 2019  
Time 1 p.m. (BRT)/ 10 a.m. (NYT)  
Brazil: +55 (11) 3193-1001  
+55 (11) 2820-4001  
USA: +1 (866) 262-4553  
International: +1 (412) 317-6029

**Webcast:**

<http://choruscall.com.br/b3/4q18.htm>

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

**São Paulo, February 21, 2019** – B3 S.A. – Brasil, Bolsa, Balcão (“B3” or “Company”; ticker: B3SA3) reports today its fourth-quarter 2018 (4Q18) earnings. Total revenues reached R\$1,458.6 million, a 27.3% increase over the same period of the previous year (4Q17), while recurring EBITDA<sup>1</sup> totaled R\$913.7 million, up by 35.8%. The Company’s recurring net income<sup>2</sup> in 4Q18 was R\$715.0 million.

In 2018, B3’s total revenues reached R\$5,351.9 million, an increase of 20.6% year-over-year. In the same comparison, recurring EBITDA increased 28.8% and totaled R\$3,424.5 million in 2018, while recurring net income was 26.4% higher and amounted to R\$2,634.5.

B3 disclosed new guidance for financial leverage and distributions to shareholders and reaffirmed the other guidance for 2019, as follows:

- Indebtedness at YE19: 1.5x Gross debt / recurring LTM EBITDA (1x previously)
- Distribution to shareholders: 120% - 150% of IFRS net income (70% - 80% previously)
- Adjusted expenses<sup>3</sup> (OPEX): R\$1,030 – R\$1,080 million (R\$984.7 million in 2018)
- Depreciation and amortization: R\$950 – R\$1,000 million (R\$953.1 million in 2018)
- Revenue-linked expenses: R\$245 – R\$265 million (R\$198.2 million in 2018)
- Capital expenditures<sup>4</sup> (CAPEX): R\$250 – 280 million (R\$233.0 million in 2018)

More details on Company’s guidance are available on the [Material Fact released on February 21, 2019](#).

**Chief Executive Officer of B3, Gilson Finkelsztain**, said: “2018 marked our first full year of consolidated operation of B3 after the merger. With the completion of the integration process between BM&FBOVESPA and Cetip, we focused our efforts on consolidating our corporate culture, centered on customer proximity and satisfaction, operational excellence and the ability to innovate. We also conducted a broad and deep strategic planning exercise, which resulted on the affirmation of a strategy that will prioritize strengthening and expanding our operation by focusing on the customers, services and products of our core business. We will seek to maintain and reinforce our capabilities in risk management and operations, cutting edge technology and innovation, customer relationship and service, engagement with regulators, and development and retention of talents. Still in 2018, we have kicked-off of a series of projects and concrete activities that will support the implementation of this plan. We will continue working with determination to offer solutions that exceed the expectation of our customers and regulators and, thus continue to be the market’s platform of choice to meet most of their needs.”

**Chief Financial and Investor Relations Officer, Daniel Sonder**, added: “In 2018 we supported our clients in trading record volumes in the cash equities and derivative markets successfully, as well as growing their activities in securities and auto liens and loans. The financial and capital market environment was volatile due to elections, but also showed the first signs of a new period of development and investors’ sophistication in the context of lower interest rates. Our investments in IT infrastructure, personnel, processes and governance over the last several years ensured that B3’s platforms reported availability of over 99.9% during the year. With robust cash generation, we further reduced our level of indebtedness and distributed R\$ 1.4 billion to our shareholders”.

**Noteworthy 4Q18 events – at a glance:**

- Distribution of R\$423.0 million in interest on capital (IoC) in the quarter with impact in the tax line (see more on page 3)
- Expenses impacted by the market price of B3SA3 share:
  - R\$17.7 million from provisions for legal disputes, for which a portion of the amount under discussion is updated according to the market price of B3SA3 (see more on page 3).
  - Personnel expenses related to long-term stock-based compensation of R\$36.5 million, since the payroll charges that apply on that portion of the compensation are adjusted by market price of B3SA3 (see more on page 3).

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

	4Q18	4Q17	4Q18/4Q17 (%)	3Q18	4Q18/3Q18 (%)	2018	2017	2018/2017 (%)
Total revenues	1,458.6	1,145.6	27.3%	1,272.5	14.6%	5,351.9	4,439.1	20.6%
Net revenue	1,313.5	1,033.6	27.1%	1,155.9	13.6%	4,831.9	4,006.2	20.6%
Expenses	(656.8)	(589.4)	11.4%	(642.0)	2.3%	(2,433.2)	(2,609.1)	-6.7%
Financial result	38.1	(25.2)	-250.9%	(12.1)	-414.2%	(53.7)	134.2	-140.0%
Net income	583.0	516.1	13.0%	465.4	25.3%	2,088.4	1,225.1	70.5%
Adjusted expenses	(272.3)	(283.7)	-4.0%	(250.5)	8.7%	(984.7)	(971.6)	1.3%
Recurring EBITDA	913.7	672.9	35.8%	779.4	17.2%	3,424.5	2,658.1	28.8%
Recurring EBITDA margin	69.6%	66.6%	301 bps	67.4%	214 bps	70.9%	67.7%	317 bps
Recurring net income	715.0	635.8	12.5%	613.4	16.5%	2,634.5	2,084.0	26.4%

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

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

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

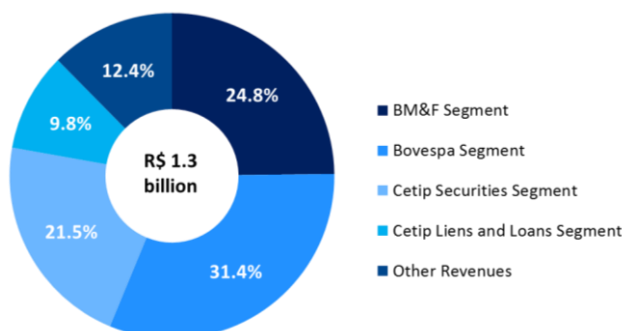
<sup>4</sup> Does not include CAPEX related to the business combination between BM&FBOVESPA and CETIP.

## ANALYSIS OF 4Q18 EARNINGS

### REVENUES

**Total revenues:** totaled R\$1,458.6 million in 4Q18, 27.3% higher than in 4Q17, reflecting revenue growth in all segments:

**4Q18 Revenues Breakdown** (% of total revenues)



**BM&F Segment:** amounted to R\$361.9 million (24.8% of the total), 27.4% higher than in 4Q17 reflecting the increase in volumes and in average revenue per contract (RPC) in the period. This segment was positively impacted by the foreign exchange rate variation on US dollar-linked revenue (trading and post-trading of futures contracts for FX rates and Interest rates in USD).

**Bovespa segment:** reached R\$458.5 million (31.4% of the total), up by 49.7% in relation to 4Q17. Revenues from traded volumes (trading and post-trading) totaled R\$443.6 million, 50.3% higher year-over-year, reflecting the 55.3% increase in average daily traded volume.

**Cetip Securities Segment:** totaled R\$314.3 million 4Q18 (21.5% of the total), an increase of 15.6% over the same quarter of the prior year. The performance of the segment was driven by the increase in activity involving OTC derivatives and bank funding instruments.

**Cetip Liens and Loans segment:** totaled R\$142.9 million in 4Q18 (9.8% of the total), a 31.6% increase year-over-year. The 17.0% growth in SNG revenues (liens) reflects the 7.2% increase in the number of vehicles financed, as well as certain adjustments to our discounts policy. The 46.5% increase in the revenues from the Contracts System reflects the effects of the new business model for this service in the states of São Paulo (SP), Santa Catarina (SC) and Pernambuco (PE) as from 1Q18, 2Q18 and 3Q18, respectively.

Under this new model, B3 began to deliver information on contracts to accredited registration companies and no longer to the Traffic Departments. Accordingly, B3 has included the value of the services provided by the registering companies in the price charged to financial institutions, which had a positive impact on revenues from the Contracts System. On the other hand, payments for the services provided by these registering companies are accounted for as a Company expense (third-party services).

B3 worked with its customers and partners to adjust various aspects of this business, such as review some of the discounts granted to the SNG, however the impact was adverse for the Company. If other states adopt a similar model to that of SP, SC and PE over the next quarters, there will be a further impact on B3's revenues and expenses<sup>5</sup>.

**Other revenues:** totaled R\$181.1 million (12.4% of the total) in 4Q18, an increase of 3.6% year-on-year. The main highlights were:

- **Securities lending:** totaled R\$30.3 million (2.1% of the total), an increase of 20.1% over 4Q17, reflecting an increase in the average financial volume of outstanding positions registered in our securities lending platform.
- **Depository, custody and back office:** totaled R\$69.2 million (4.7% of the total), up by 12.4% over 4Q17, mainly due to a 13.5% increase in Treasury Direct revenue, which totaled R\$32.0 million in 4Q18. In addition, at the end of 2018 the depository reached a record number of 813.3 thousand accounts from individuals, which positively impacted this line of revenue.
- **Market Data - quotes and market information:** totaled R\$32.9 million (2.3% of the total), an increase of 29.4% over 4Q17, mainly explained by the combination of growth in the number of customers and appreciation of the US dollar against the Real, given that 71% of these revenues were referenced in US dollars.
- **Others:** totaled R\$8.3 million (0.6% of the total), down by 70.2% over the prior year. In 4Q17 the Company recognized a reversal of provision in the amount of R\$22.6 million related to the redesign of the health plan of former employees.

**Net Revenue:** net revenue rose by 27.1% in relation to 4Q17, reaching R\$1,313.5 million in 4Q18.

Starting from 1Q19, B3 will adopt in the Earnings Reports a new revenues segmentation. In order to allow comparability, we will begin to disclose concurrently the new and old structures during the transition period, as of appendix on page 8.

### EXPENSES

**Expenses:** amounted to R\$656.8 million in 4Q18, an increase of 11.4% year-over-year.

**Adjusted expenses:** totaled R\$272.3 million, down 4.0% over 4Q17.

<sup>5</sup> In the 12-month period between Jan'18 and Dec'18, the states of São Paulo, Santa Catarina and Pernambuco accounted for 47.2%, 11.2% and 4.5%, respectively, of the total number of loans transmitted by B3 (B3 does not offer the contracts transmission service in some states of Brazil).

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

Adjustments to expenses	4Q18	4Q17	4Q18/4Q17 (%)	3Q18	4Q18/3Q18 (%)	2018	2017	2018/2017 (%)
<b>Expenses</b>	<b>(656.8)</b>	<b>(589.4)</b>	11.4%	<b>(642.0)</b>	2.3%	<b>(2,433.2)</b>	<b>(2,609.1)</b>	-6.7%
(+) Depreciation and amortization	243.4	234.6	3.8%	236.4	3.0%	953.1	742.1	28.4%
(+) Long term stock-based compensation	36.5	20.6	77.2%	39.7	-8.0%	124.9	108.0	15.7%
(+) Related to the combination with Cetip	13.6	43.6	-68.8%	19.7	-30.9%	63.3	491.8	-87.1%
(+) Provisions (recurring and non-recurring)	33.5	(22.6)	-248.4%	44.3	-24.4%	109.0	199.7	-45.4%
(+) Revenue-linked expenses	57.4	29.6	94.3%	51.5	11.5%	198.2	95.8	106.9%
<b>Adjusted expenses</b>	<b>(272.3)</b>	<b>(283.7)</b>	<b>-4.0%</b>	<b>(250.5)</b>	<b>8.7%</b>	<b>(984.7)</b>	<b>(971.6)</b>	<b>1.3%</b>

Note: as of 1Q18, B3 discloses guidance for revenue-linked expenses. To allow a better comparison, disclosure is also provided for revenue-linked expenses for previous periods.

**Personnel:** totaled R\$182.7 million in 4Q18, an increase of 2.0% in relation to 4Q17, mainly explained by (i) the increase in the payroll given the annual collective bargaining agreement (3.6% increase on the salary base as of Aug'18), and (ii) the increase in provisions related to the long-term stock-based incentive plan as a result of the increase in the market price of B3SA3 in the quarter<sup>6</sup>.

**Third-party Services:** totaled R\$76.0 million in 4Q18, a 69.9% increase over 4Q17, due to the increase in revenue-linked expenses, which totaled R\$57.4 million (vs. R\$29.6 million in 4Q17). As explained above, with the implementation of the new business model in the Contracts System in the states of SP, SC and PE, B3 now recognizes the amount incurred with the services provided by the registering companies as an expense. Excluding revenue-linked expenses, third-party services would have totaled R\$18.5 million, an increase of 22.3% over 4Q17, reflecting consulting fees for strategic projects.

**Related to the combination with Cetip:** totaled R\$13.6 million in 4Q18, down 68.8% over 4Q17. These expenses are mainly related to expenses for advisors, consultants, personnel and brand management.

**Other expenses:** totaled R\$58.1 million in 4Q18. Provisions are the most relevant item in this expense group, and consist primarily of adjustment of provisions involving lawsuits, in which part of the amount under discussion is adjusted according to the market price of the B3SA3<sup>7</sup> shares and which amounted to R\$17.7 million in 4Q18.

### RECURRING EBITDA

**Recurring EBITDA:** totaled R\$913.7 million, up by 35.8% over 4Q17. The recurring EBITDA margin was 69.6%, up by 301 bps year-on-year.

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

	4Q18	4Q17	4Q18/4Q17 (%)	3Q18	4Q18/3Q18 (%)	2018	2017	2018/2017 (%)
<b>EBITDA</b>	<b>900.1</b>	<b>678.7</b>	32.6%	<b>750.3</b>	20.0%	<b>3,351.8</b>	<b>2,139.2</b>	56.7%
(+) Expenses related to the combination with Cetip	13.6	43.6	-68.8%	19.7	-30.9%	63.3	491.8	-87.1%
(+) Non-recurring provisions	-	(49.4)	0.0%	9.4	0.0%	9.4	27.1	-65.1%
<b>Recurring EBITDA</b>	<b>913.7</b>	<b>672.9</b>	35.8%	<b>779.4</b>	17.2%	<b>3,424.5</b>	<b>2,658.1</b>	28.8%
Recurring EBITDA margin	69.6%	66.6%	301 bps	67.4%	214 bps	70.9%	67.7%	317 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 Dec'18 totaled R\$8,572.5 million, mainly comprised of: (i) B3's own cash, which totaled R\$5,273.9 million and includes the funds required for the Company's activities and R\$423.0 million in interest on equity paid in Jan'19; and (ii) R\$2,149.3 million in third-party funds, which include collateral deposited in cash by customers in the Company's clearing houses.

**Indebtedness:** at the end of 4Q18, the Company's gross debt was R\$4,234.4 million (58.4% long term and 41.6% short term), which corresponds to 1.2x the recurring EBITDA for the last 12 months. Gross debt includes notional plus accrued interest, as well as the net value of the position in derivative financial instruments. The most significant maturities are: (i) R\$1.5 billion in Dec'19; and (ii) USD 612 million (R\$2.3 billion) in Jul'20, which are fully hedged for the notional and interest since Mar'18.

**Financial result:** totaled R\$38.1 million in 4Q18 against R\$25.2 million (negative) in the same period of the previous year. Financial revenues totaled R\$124.9 million, 17.0% higher than in 4Q17, mainly due to the Company's higher cash position. Financial expenses, in turn, totaled R\$86.8 million, 34.2% less than in 4Q17, mainly due to the amortization of R\$1.5 billion in Dec'18 and the lower interest rate in the period.

**Income tax and social contribution:** totaled R\$112.3 million in 4Q18 and were impacted by the distribution of IoC in the amount of R\$423.0 million. Cash impact totaled R\$2.2 million in the quarter, while the temporary difference from the goodwill amortization for taxes purposes was R\$119.6 million.

**Net income (attributable to shareholders):** net income attributed to B3 shareholders totaled R\$582.9 million, up by 12.9% over 4Q17, reflecting the increase in revenues, financial result and the impact of income tax in the quarter. Excluding non-recurring items (see table below) net income would have totaled R\$715.0 million<sup>8</sup> in 4Q18, 12.5% higher year-on-year. Furthermore, if adjusted for the deferred tax related to the tax amortization of goodwill created in the business combination with Cetip, net income would have reached R\$834.6 million.

<sup>6</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\$26.81 in Dec'18, compared to R\$23.40 in the end of Set'18, up by 14.6%.

<sup>7</sup> The number of shares equivalent to the amounts under discussion is 5,186,739 B3SA3 shares

<sup>8</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.

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

Adjustments to net income	4Q18	4Q17	4Q18/4Q17 (%)	3Q18	4Q18/3Q18 (%)	2018	2017	2018/2017 (%)
<b>Net income (attributable to shareholders)</b>	<b>582.9</b>	<b>516.1</b>	<b>12.9%</b>	<b>465.4</b>	<b>25.3%</b>	<b>2,087.4</b>	<b>1,224.7</b>	<b>70.4%</b>
Expenses related to the combination with Cetip	9.0	28.8	-68.8%	13.0	-30.9%	41.8	325.4	-87.2%
Non-recurring provisions	-	(32.6)	-	6.2	-	6.2	17.9	-65.1%
Impairment	-	-	-	5.8	-	5.8	43.2	-86.7%
Amortization of intangible assets from combination with Cetip	123.1	123.6	-0.4%	123.1	0.0%	493.3	376.4	31.0%
Amortization of intangible assets from combination with GRV	-	-	-	-	-	-	8.6	-
Taxes Refinancing (REFIS/PERT)	-	-	-	-	-	-	87.8	-
<b>Recurring net income</b>	<b>715.0</b>	<b>635.8</b>	<b>12.5%</b>	<b>613.4</b>	<b>16.5%</b>	<b>2,634.5</b>	<b>2,084.0</b>	<b>26.4%</b>
Deferred taxes (goodwill from Bovespa combination)	-	133.1	-	-	0.0%	-	532.2	-
Deferred taxes (goodwill from Cetip combination)	119.6	119.6	0.0%	119.6	0.0%	478.5	239.3	100.0%
<b>Recurring net income adjusted by goodwill tax benefit</b>	<b>834.6</b>	<b>888.5</b>	<b>-6.1%</b>	<b>733.1</b>	<b>13.8%</b>	<b>3,113.0</b>	<b>2,855.5</b>	<b>9.0%</b>

**CAPEX:** in 4Q18, investments amounted to R\$124.5 million, mainly related to the Company's new facilities, upgrades of system and technologies for all segments in which B3 operates, as well as the development of products. In the year, CAPEX totaled R\$233.0 million.

**Distributions to shareholders:** on December 14, 2018, the Board of Directors approved distribution of IoC amounting to R\$423.0 million. The amount was paid on January 8, 2019, based on the shareholder register of December 21, 2018.

## PERFORMANCE BY SEGMENT

**BM&F segment:** average daily volume in the derivatives market totaled 3.7 million contracts in 4Q18, an increase of 15.6% compared to 4Q17. This performance can be explained by the increase in the volume of Interest rates in USD (+41.7%), FX rates (+26.7%) and Stock indices (+99.7%) contracts, partially offset by the fall in the volume of Interest rates in BRL contracts (-13.0%).

The average RPC reached R\$1.625, a 12.3% increase compared to 4Q17, mainly due to the 19.4% appreciation of the US Dollar against the Real in the period, which positively impacted the RPC of FX rates and Interest rates in USD contracts.

**Bovespa segment:** average daily trading value in the Bovespa segment was R\$15.7 billion in 4Q18, a 55.3% increase compared to 4Q17, reflecting both the appreciation of the value of listed shares and the higher turnover velocity<sup>9</sup>. Market capitalization<sup>10</sup> reached daily average of R\$3.5 trillion in 4Q18, a 13.1% increase compared to the same quarter of the previous year, and turnover velocity was 106.1% in 4Q18 against 77.9% in 4Q17.

Trade/post-trade margins were 4,798bps in 4Q18 against 4,958bps in 4Q17. This decrease is mainly explained by (i) the higher share of day trades, which have lower margins; and (ii) marginal discounts applied to all investors in accordance with our pricing policy<sup>11</sup>, given that in every month of the quarter the average daily trading value was over R\$13 billion.

**Cetip Securities segment:** financial volume of new registrations in 4Q18 totaled R\$5.3 trillion, 28.6% higher than in 4Q17. Issuances of fixed income instruments increased by 24.5%, mainly due to the 54.6% increase in bank certificates of deposit (CDBs). The financial volume of OTC derivatives and structured notes increased by 33.3%, with growth in forward instruments and other derivatives.

The average registration fee of fixed income instruments fell by 2.9% in relation to 4Q17, reflecting the change in the product mix and the migration of customers to lower price bands, according to the Company's discount by volume policy. The average fee charged for the registration of OTC derivatives and structured notes declined by 18.9% over the same period of the previous year, impacted mainly by the decrease in the average price of other derivatives/structured transactions.

**Cetip Liens and Loans segment:** 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 4Q18 compared to 4Q17. This growth is explained by greater credit penetration (% of vehicles sold on credit/total vehicles sold), which increased from 30.2% in 4Q17 to 31.2% in 4Q18, together with the 4.0% increase in the total number of vehicles sold between the quarters.

In the Contracts System, the number of contracts transmitted was 7.6% lower than in 4Q17. This performance is explained by the interruption of the service in the state of Paraná in 4Q18, which also directly affected B3's market share, which fell from 65.2% in 4Q17 to 56.2% in 4Q18.

<sup>9</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>10</sup> Market capitalization is obtained by multiplying the number of shares issued by the listed companies by their respective market prices.

<sup>11</sup> According to the prevailing fee schedule of the Bovespa 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.

## SUMMARY OF CONSOLIDATED BALANCE SHEET

ASSETS	Dec 31, 2018	Dec 31, 2017	LIABILITIES AND EQUITY	Dec 31, 2018	Dec 31, 2017
<b>Current assets</b>	<b>7,475,618</b>	<b>6,506,030</b>	<b>Current liabilities</b>	<b>5,755,789</b>	<b>5,455,171</b>
Cash and cash equivalents	329,687	711,140	Collateral for transactions	2,110,933	2,171,449
Financial investments	6,487,587	4,926,832	Financial instruments for hedge	7,288	21,345
Others	658,344	868,058	Loan	1,777,213	1,615,930
<b>Noncurrent assets</b>	<b>30,196,627</b>	<b>31,073,849</b>	Others	1,860,355	1,646,447
<b>Long-term receivables</b>	<b>2,388,707</b>	<b>2,563,595</b>	<b>Noncurrent liabilities</b>	<b>6,872,260</b>	<b>7,814,694</b>
Financial investments	1,755,193	2,197,268	Debt issued abroad	2,731,946	4,018,763
Others	633,514	366,327	Deferred inc. tax and social contrib.	3,344,440	3,081,088
<b>Investments</b>	<b>45,591</b>	<b>44,962</b>	Others	795,874	714,843
<b>Property and equipment, net</b>	<b>627,325</b>	<b>573,669</b>	<b>Equity</b>	<b>25,044,196</b>	<b>24,310,014</b>
<b>Intangible assets</b>	<b>27,135,004</b>	<b>27,891,623</b>	Capital	3,548,655	3,198,655
Goodwill	22,338,799	22,338,876	Capital reserve	18,066,178	18,399,366
Software and projects	4,796,205	5,363,067	Others	3,429,363	2,711,993
Others	0	189,680	Non-controlling interests	11,227	10,320
<b>Total Assets</b>	<b>37,672,245</b>	<b>37,579,879</b>	<b>Total liabilities and equity</b>	<b>37,672,245</b>	<b>37,579,879</b>



**IFRS ACCOUNTING INCOME STATEMENT**

<i>(In thousand of Brazilian Reals, unless otherwise indicated)</i>	4Q18	4Q17	4Q18/4Q17 (%)	3Q18	4Q18/3T18 (%)	2018	2017	2018/2017 (%)
<b>Total revenues</b>	<b>1,458,646</b>	<b>1,145,565</b>	<b>27.3%</b>	<b>1,272,492</b>	<b>14.6%</b>	<b>5,351,875</b>	<b>4,439,101</b>	<b>20.6%</b>
<b>BM&amp;F Segment</b>	<b>361,883</b>	<b>284,064</b>	<b>27.4%</b>	<b>331,854</b>	<b>9.0%</b>	<b>1,398,086</b>	<b>1,108,107</b>	<b>26.2%</b>
Derivatives	356,089	279,353	27.5%	327,071	8.9%	1,377,566	1,089,097	26.5%
Foreign exchange	5,794	4,711	23.0%	4,783	21.1%	20,520	19,010	7.9%
<b>Bovespa segment</b>	<b>458,485</b>	<b>306,192</b>	<b>49.7%</b>	<b>322,305</b>	<b>42.3%</b>	<b>1,534,537</b>	<b>1,136,016</b>	<b>35.1%</b>
Trading fees	67,804	47,444	42.9%	50,103	35.3%	234,499	180,071	30.2%
Clearing fees	375,762	247,746	51.7%	266,073	41.2%	1,265,676	924,220	36.9%
Others	14,919	11,002	35.6%	6,129	143.4%	34,362	31,725	8.3%
<b>Cetip Securities segment</b>	<b>314,273</b>	<b>271,882</b>	<b>15.6%</b>	<b>312,136</b>	<b>0.7%</b>	<b>1,217,522</b>	<b>1,101,370</b>	<b>10.5%</b>
Registration fees	33,285	30,301	9.8%	34,354	-3.1%	130,774	113,718	15.0%
Maintenance (CSD/TR)	140,350	124,126	13.1%	140,831	-0.3%	541,734	497,000	9.0%
Monthly utilization	73,825	61,257	20.5%	73,411	0.6%	295,972	243,962	21.3%
Transaction fees	34,226	28,144	21.6%	31,589	8.3%	122,081	138,584	-11.9%
Other revenue from services	32,587	28,054	16.2%	31,951	2.0%	126,961	108,106	17.4%
<b>Cetip liens and loans segment</b>	<b>142,871</b>	<b>108,556</b>	<b>31.6%</b>	<b>138,261</b>	<b>3.3%</b>	<b>526,564</b>	<b>423,636</b>	<b>24.3%</b>
SNG	49,686	42,454	17.0%	47,044	5.6%	184,538	159,282	15.9%
Contracts Systems	69,714	47,577	46.5%	70,540	-1.2%	262,464	194,654	34.8%
Market data and development of solutions	22,946	18,169	26.3%	20,230	13.4%	77,844	68,098	14.3%
Other revenues	525	356	47.5%	447	17.4%	1,718	1,602	7.2%
<b>Other revenues</b>	<b>181,134</b>	<b>174,871</b>	<b>3.6%</b>	<b>167,936</b>	<b>7.9%</b>	<b>675,166</b>	<b>669,972</b>	<b>0.8%</b>
Securities lending	30,348	25,276	20.1%	30,597	-0.8%	116,399	100,405	15.9%
Listing	15,112	14,666	3.0%	14,693	2.9%	60,771	57,247	6.2%
Depository, custody and back-office	69,230	61,586	12.4%	62,394	11.0%	253,583	227,228	11.6%
Trading access (Brokers)	13,088	11,552	13.3%	11,817	10.8%	48,017	40,105	19.7%
Market data	32,862	25,397	29.4%	31,484	4.4%	121,863	108,255	12.6%
BM&FBOVESPA bank	12,158	8,466	43.6%	8,500	43.0%	36,203	37,256	-2.8%
Others	8,336	27,928	-70.2%	8,451	-1.4%	38,330	99,476	-61.5%
<b>Revenue deductions</b>	<b>(145,111)</b>	<b>(111,969)</b>	<b>29.6%</b>	<b>(116,558)</b>	<b>24.5%</b>	<b>(519,960)</b>	<b>(432,931)</b>	<b>20.1%</b>
PIS and Cofins	(120,852)	(93,932)	28.7%	(95,124)	27.0%	(431,908)	(363,438)	18.8%
Service tax	(24,259)	(18,037)	34.5%	(21,434)	13.2%	(88,052)	(69,493)	26.7%
<b>Net revenues</b>	<b>1,313,535</b>	<b>1,033,596</b>	<b>27.1%</b>	<b>1,155,934</b>	<b>13.6%</b>	<b>4,831,915</b>	<b>4,006,170</b>	<b>20.6%</b>
<b>Expenses</b>	<b>(656,823)</b>	<b>(589,438)</b>	<b>11.4%</b>	<b>(642,040)</b>	<b>2.3%</b>	<b>(2,433,249)</b>	<b>(2,609,112)</b>	<b>-6.7%</b>
Personnel	(182,663)	(179,142)	2.0%	(200,906)	-9.1%	(727,617)	(692,507)	5.1%
Data processing	(59,420)	(53,949)	10.1%	(43,524)	36.5%	(193,914)	(188,988)	2.6%
Deprec. and amortization	(243,428)	(234,582)	3.8%	(236,390)	3.0%	(953,105)	(742,137)	28.4%
Third-party services	(75,961)	(44,709)	69.9%	(61,738)	23.0%	(237,339)	(130,232)	82.2%
Maintenance	(4,744)	(5,750)	-17.5%	(4,950)	-4.2%	(20,507)	(22,085)	-7.1%
Communication	(1,507)	(1,110)	35.8%	(1,343)	12.2%	(5,734)	(7,629)	-24.8%
Marketing	(11,224)	(9,051)	24.0%	(6,981)	60.8%	(29,620)	(27,990)	5.8%
Taxes	(2,611)	(3,286)	-20.5%	(2,122)	23.0%	(9,872)	(10,113)	-2.4%
Board/comittees compensation	(3,589)	(3,638)	-1.3%	(3,030)	18.4%	(14,303)	(15,511)	-7.8%
Related to the combination with Cetip	(13,607)	(43,575)	-68.8%	(19,702)	-30.9%	(63,322)	(491,832)	-87.1%
Others	(58,069)	(10,646)	445.5%	(61,354)	-5.4%	(177,916)	(280,087)	-36.5%
<b>Operating income</b>	<b>656,712</b>	<b>444,158</b>	<b>47.9%</b>	<b>513,894</b>	<b>27.8%</b>	<b>2,398,666</b>	<b>1,397,058</b>	<b>71.7%</b>
Operating margin	50.0%	43.0%	702 bps	44.5%	554 bps	49.6%	34.9%	1,477 bps
<b>Impairment</b>	-	-	-	<b>(8,722)</b>	-	<b>(8,722)</b>	<b>(65,508)</b>	<b>-86.7%</b>
<b>Equity in income of investees</b>	<b>496</b>	<b>155</b>	<b>220.0%</b>	<b>370</b>	<b>34.1%</b>	<b>2,147</b>	<b>1,330</b>	<b>61.4%</b>
<b>Financial result</b>	<b>38,102</b>	<b>(25,244)</b>	<b>-250.9%</b>	<b>(12,125)</b>	<b>-414.2%</b>	<b>(53,682)</b>	<b>134,203</b>	<b>-140.0%</b>
Financial income	124,908	106,745	17.0%	144,112	-13.3%	488,796	918,705	-46.8%
Financial expenses	(86,806)	(131,989)	-34.2%	(156,237)	-44.4%	(542,478)	(784,502)	-30.9%
<b>Income before taxes</b>	<b>695,310</b>	<b>419,069</b>	<b>65.9%</b>	<b>493,417</b>	<b>40.9%</b>	<b>2,338,409</b>	<b>1,467,083</b>	<b>59.4%</b>
<b>Income tax and social contribution</b>	<b>(112,308)</b>	<b>97,078</b>	<b>-215.7%</b>	<b>(28,011)</b>	<b>300.9%</b>	<b>(250,058)</b>	<b>(241,964)</b>	<b>3.3%</b>
Current	11,523	(4,131)	-378.9%	(2,267)	-608.3%	9,684	(137,049)	-107.1%
Deferred	(123,831)	101,209	-222.4%	(25,744)	381.0%	(259,742)	(104,915)	147.6%
<b>Net income</b>	<b>583,002</b>	<b>516,147</b>	<b>13.0%</b>	<b>465,406</b>	<b>25.3%</b>	<b>2,088,351</b>	<b>1,225,119</b>	<b>70.5%</b>
Net margin	44.4%	49.9%	-555 bps	40.3%	412 bps	43.2%	30.6%	1,264 bps
<b>Attributable to:</b>								
B3's shareholders	<b>582,922</b>	<b>516,110</b>	<b>12.9%</b>	<b>465,364</b>	<b>25.3%</b>	<b>2,087,444</b>	<b>1,224,714</b>	<b>70.4%</b>
Net margin	44.4%	49.9%	-556 bps	40.3%	412 bps	43.2%	30.6%	1,263 bps
Minority interest	80	37	116.2%	42	90.5%	907	405	124.0%

## NON-RECURRING EXPENSES AND INVESTMENTS RELATED TO THE BUSINESS COMBINATION WITH CETIP

### Guidance on expenses and other impacts arising from the completion of the business combination with Cetip<sup>1</sup> (R\$ million)

	2016	2017	1Q18	2Q18	3Q18	4Q18	2018
<b>Contractual commitments and other accounting impact</b>	-	232.5	-	-	-	-	-
Cetip's LT compensation and retention programs (cancellation of stock opt	-	133.1	-	-	-	-	-
Impairment / write-offs / provision for contractual fines	-	99.4	-	-	-	-	-
<b>Retention / severance programs approved in the AGM of 04/28/17<sup>2</sup></b>	-	84.6	8.7	3.3	6.8	7.5	26.2
<b>Advisors, consultants, branding</b>	70.3	89.3	0.4	1.1	2.3	0.9	4.7
<b>Total</b>	70.3	406.5	9.1	4.4	9.1	8.4	31.0

<sup>1</sup> In comparison with the numbers initially disclosed in 1Q17, some expenses were reclassified between lines in the table and from expenses related to the combination with Cetip to recurring personnel expenses. <sup>2</sup> Includes payroll charges on the amount approved at the Annual General Meeting. In addition to the amount described above, approximately R\$44 million will be accrued between 2019 and 2021, according to the vesting periods of the stock grant program. The portion referring to payroll taxes on the stocks that will be transferred in future periods can vary significantly, since it will be calculated based on the stock price on the day of the transfer.

### Guidance on expenses and CAPEX necessary to capture synergies from the business combination with Cetip (R\$ million)

	2016	2017	1Q18	2Q18	3Q18	4Q18	2018
<b>Severance and services providers' expenses</b>	8.5	150.9	5.9	10.6	10.6	5.1	32.2
<b>Capex (projects and integration)</b>	-	8.3	3.3	14.2	3.0	8.0	28.4

<sup>1</sup> Includes expenses with termination and third-party services

## NEW REVENUES SEGMENTATION

<i>(In million of Brazilian Reals, unless otherwise indicated)</i>	4Q18	4Q17	4Q18/4Q17 (%)	2018	2017	2018/2017 (%)
<b>Total Revenue</b>	<b>1,458.6</b>	<b>1,145.6</b>	<b>27.3%</b>	<b>5,351.9</b>	<b>4,439.1</b>	<b>20.6%</b>
<b>Listed</b>	<b>887.3</b>	<b>651.8</b>	<b>36.1%</b>	<b>3,196.0</b>	<b>2,484.6</b>	<b>28.6%</b>
Equities	577.4	397.3	45.3%	1,961.6	1,469.0	33.5%
Trading and post-trading	492.0	322.5	52.6%	1,648.3	1,185.9	39.0%
Depository	33.7	27.3	23.4%	122.2	107.2	14.0%
Stock lending	30.3	25.3	20.1%	116.4	100.4	15.9%
Listing and solutions for issuers	21.3	22.3	-4.4%	74.6	75.5	-1.1%
FICC	309.9	254.5	21.8%	1,234.5	1,015.5	21.6%
<b>OTC</b>	<b>253.2</b>	<b>222.9</b>	<b>13.6%</b>	<b>970.2</b>	<b>893.9</b>	<b>8.5%</b>
Fixed income	172.5	154.8	11.4%	658.1	619.1	6.3%
Derivatives	38.8	30.6	26.6%	153.5	128.8	19.2%
Other	41.9	37.5	11.9%	158.6	146.0	8.6%
<b>Infrastructure for financing</b>	<b>138.0</b>	<b>103.5</b>	<b>33.3%</b>	<b>507.0</b>	<b>402.4</b>	<b>26.0%</b>
<b>Technology, data and services</b>	<b>180.1</b>	<b>167.3</b>	<b>7.7%</b>	<b>678.7</b>	<b>658.2</b>	<b>3.1%</b>
Access and technology	104.7	91.0	15.0%	412.3	354.6	16.3%
Data and analytics	40.1	32.4	23.8%	151.3	137.4	10.1%
B3 bank	12.2	8.5	43.6%	36.2	37.3	-2.8%
Other	23.1	35.4	-34.7%	79.0	129.0	-38.8%