



# 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 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, unless otherwise indicated)</i>	1Q19	1Q18	1Q19/1Q18 (%)	4Q18	1Q19/4Q18 (%)
<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 (%)	4Q18	1Q19/4Q18 (%)
<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

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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>		<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	-	-	(81)	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 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>	
	<u>03/31/2019</u>	<u>12/31/2018</u>
<b>Direct subsidiaries and controlled entities:</b>		
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>	
	<u>03/31/2019</u>	<u>12/31/2018</u>
<b>Indirect subsidiaries and controlled entities:</b>		
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  
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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  
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### Note 20 - Segment information

	1Q 2018 Consolidated						
	BM&F Segment	Bovespa Segment	Institutional and Corporate Products Segment	CETIP UTVM Segment	CETIP UFIN Segment	Related to combination 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>						-	<b>1,005</b>
<b>Financial result</b>						-	<b>(22,499)</b>
<b>Income tax and social contribution</b>						-	<b>(172,871)</b>
<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  
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### **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

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### *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.

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Notes to quarterly information -- Continued  
March 31, 2019  
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### **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  
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### 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  
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### b) *Financial investments and marketable securities*

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

B3

Description	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
	5,850,630	-	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
	372,398	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  
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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 Installmentales – foreign debt (1)	Swap	Assets USD 19,800 Liabilities BRL 61,190	-	64.50% of CDI	07/16/2019	11,866	-	-	-	4,285	(4,044)
Cash Flow	Interest Installmentales – foreign debt (1)	Swap	Assets USD 19,800 Liabilities BRL 65,722	-	CDI -3.24%	01/16/2020	9,838	-	-	-	(70)	328
Cash Flow	Interest Installmentales – foreign debt (1)	Swap	Assets USD 19,800 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 Liabilities BRL 33,182	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 Liabilities BRL 41,082	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 Liabilities BRL 3,664	B3SA3 + earnings	107% of CDI	Apr/2020 to Mar/2021	431	-	-	212	(32)	105
Fair Value	Foreign debt (3)	Swap	Assets USD 350,000 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 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 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  
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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  
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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  
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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  
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### *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><u>2,594,589</u></b>	<b><u>2,167,261</u></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><u>312,602</u></b>	<b><u>318,378</u></b>	<b><u>317,457</u></b>	<b><u>323,822</u></b>



## B3 S.A. - Brasil, Bolsa, Balcão

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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 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>

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Notes to quarterly information -- Continued

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- (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>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							Total
	Buildings	Furniture and fixtures	Computer devices and equipment	Facilities	Other	Construction in progress	
<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							Total
	Buildings	Furniture and fixtures	Computer devices and equipment	Facilities	Other	Construction in progress	
<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 development internally generated	Software internally generated – projects completed	Software	Contractual relations	Trademarks	Total
<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 development internally generated	Software internally generated – projects completed	Software	Contractual relations	Trademarks	Total
<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  
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### ***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

B3

	Foreign debt	Debentures	Loans involving subsidiaries	Other loans	Total debt
<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

Consolidated

	Foreign debt	Debentures	Loans involving subsidiaries	Other loans	Total debt
<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  
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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  
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### 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  
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### e) *Changes in balances*

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

						<b>B3</b>
	<b>Civil</b>	<b>Labor</b>	<b>Legal obligations</b>	<b>Tax</b>	<b>Other provisions</b>	<b>Total</b>
<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>
	<b>Civil</b>	<b>Labor</b>	<b>Legal obligations</b>	<b>Tax</b>	<b>Other provisions</b>	<b>Total</b>
<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 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  
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### 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  
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### 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:

<u>Release date</u>	<u>Payment date</u>	<u>Gross per share (R\$)</u>	<u>Gross amount</u>	<u>IRPJ/CSLL effect</u>	<u>Net amount</u>
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	<u>Consolidated</u>	
	<u>1Q 2019</u>	<u>1Q 2018</u>
<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	<u>Consolidated</u>	
	<u>1Q 2019</u>	<u>1Q 2018</u>
<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

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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

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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 Clearinghouse	Foreign Exchange Clearinghouse	BM&FBOVESPA Clearinghouse	Foreign Exchange 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

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### **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>	<u>03/31/2019</u>	<u>12/31/2018</u>
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:

	<u>03/31/2019</u>		
	<u>Clearing BM&amp;FBOVESPA</u>	<u>Foreign exchange clearing</u>	<u>Special Equity -Clearinghouse and custody</u>
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>

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	Clearing BM&FBOVESPA	Foreign exchange clearing	03/31/2018 Special Equity - Clearinghouse and custody
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>	-
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>	159,272	77,110	78,952

(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

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### **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.

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 March 31, 2019  
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### Stock Grant – Summary/changes

Conversion / Grant Date	Vesting period up to	Fair value of shares on the grant date (R\$ per share)	Number of shares at 12/31/2018	Changes in the quarter			Outstanding share contracts at 03/31/2019	Dilution percentage (1)
				New 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 the income statement	(Debt) credit in the statement of comprehensive 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 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:

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

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### 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

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### **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.