1Q18 Earnings Presentation

May 11, 2018

PUBLIC INFORMATION

Forward Looking Statements

This presentation may contain certain statements that express the management's expectations, beliefs and assumptions about future events or results. Such statements are not historical fact, being based on currently available competitive, financial and economic data, and on current projections about the industries B3 works in.

The verbs "anticipate," "believe," "estimate," "expect," "forecast," "plan," "predict," "project," "target" and other similar verbs are intended to identify these forward-looking statements, which involve risks and uncertainties that could cause actual results to differ materially from those projected in this presentation and do not guarantee any future B3 performance.

The factors that might affect performance include, but are not limited to: (i) market acceptance of B3 services; (ii) volatility related to (a) the Brazilian economy and securities markets and (b) the highly-competitive industries in which B3 operates; (iii) changes in (a) domestic and foreign legislation and taxation and (b) government policies related to the financial and securities markets; (iv) increasing competition from new entrants to the Brazilian markets; (v) ability to keep up with rapid changes in technological environment, including the implementation of enhanced functionality demanded by B3 customers; (vi) ability to maintain an ongoing process for introducing competitive new products and services, while maintaining the competitiveness of existing ones; (vii) ability to attract new customers in domestic and foreign jurisdictions; (viii) ability to expand the offer of B3 products in foreign jurisdictions.

All forward-looking statements in this presentation are based on information and data available as of the date they were made, and B3 undertakes no obligation to update them in light of new information or future development.

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1Q18 highlights

Solid operating performance: growth in all business segments

Operational	1Q18	1Q18/1Q17
BM&F		
ADV (mn)	3.6	▲ 36.7%
RPC (R$)	1.388	▼ 4.7%
Bovespa		
ADTV (bn)	11.3	▲ 40.6%
Margin (bps)	5.152	▼ 3.6%
Cetip Securities		
Value oustanding (tn) (CSD/Trade Repository)	6.5	▲ 6.4%
Cetip Financing		
Vehicles financed (mn)	1.3	▲ 8.5%
CS market share (%)	66.7	▼ 770 bps

Financial (R$ mn)	1Q18	1Q18/1Q17[1]
Net revenue	1,111.9	▲ 18.2%
Adj. expenses[2]	224.7	▼ 2.9%
Adj. EBITDA[2]	760.2	▲ 18.4%
Adj. EBITDA margin	68.4%	▲ 15 bps
Financial result	-22.5	▼ 111.3%
Rec. net income[3]	448.2	▼ 15.0%

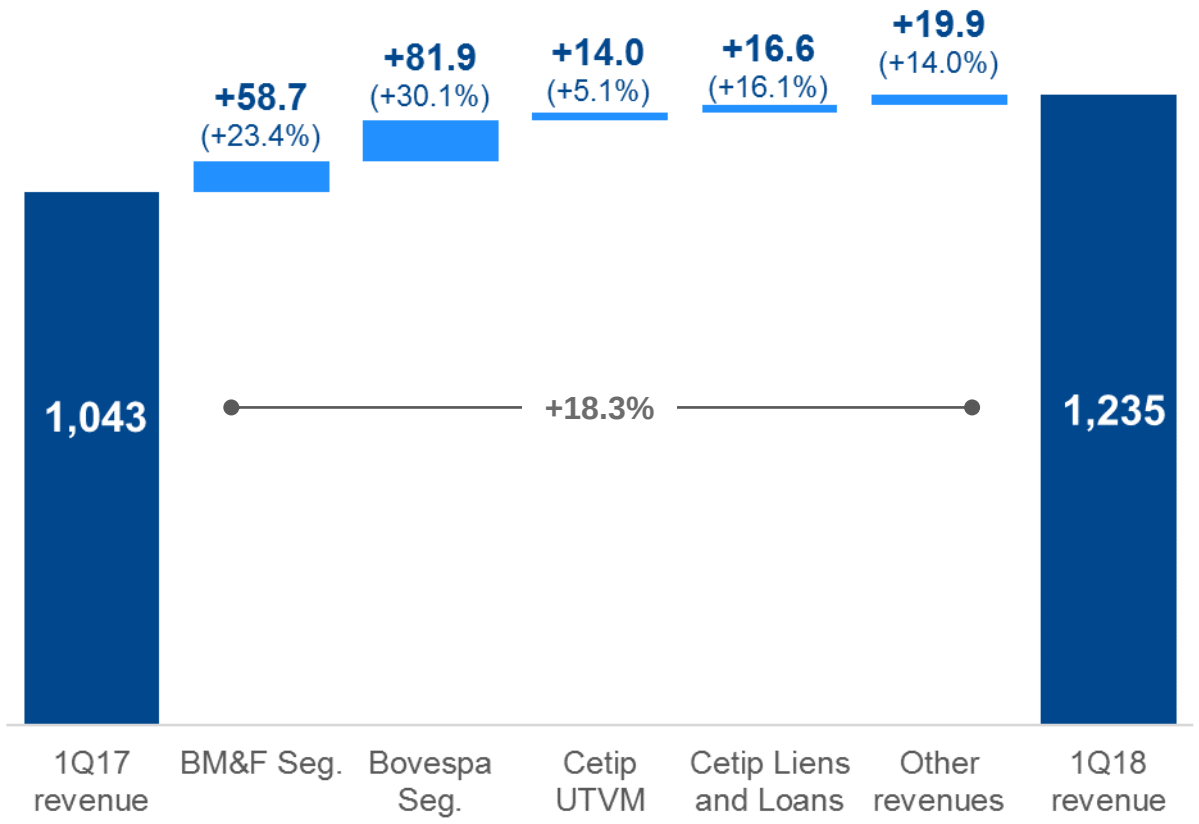
[1] 1Q17 numbers based on a managerial combined income statement. [2] See reconciliation in the slide 19 in the appendix. [3] See reconciliation in the slide 20 in the appendix.

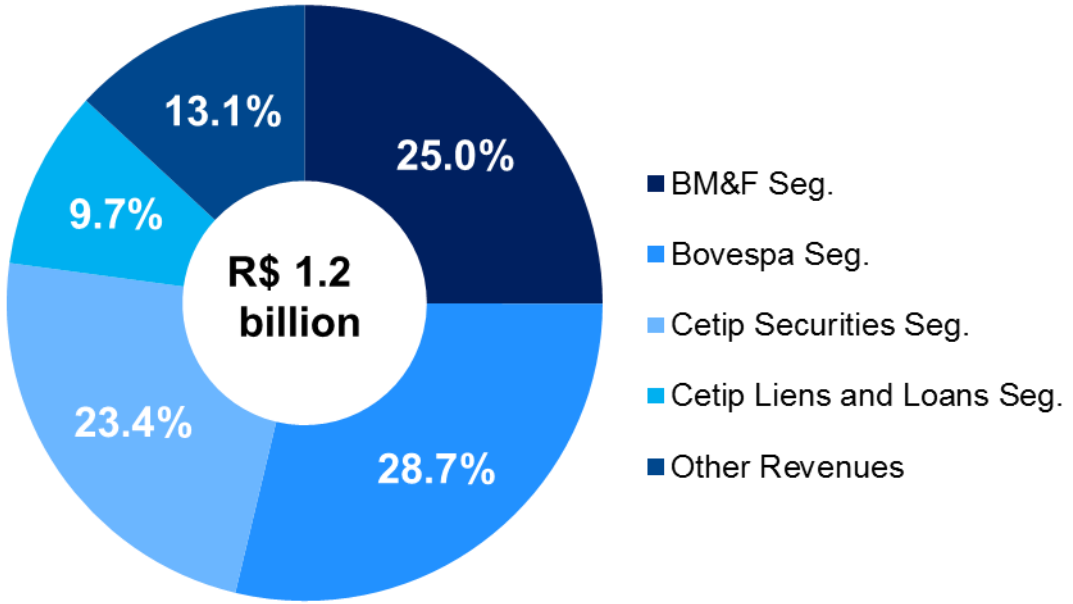
Revenue breakdown – 1Q18

Revenue growth in all segments – well balanced revenue diversification

REVENUE *(in R$ millions / % growth YoY)*

(Combined information; B3)

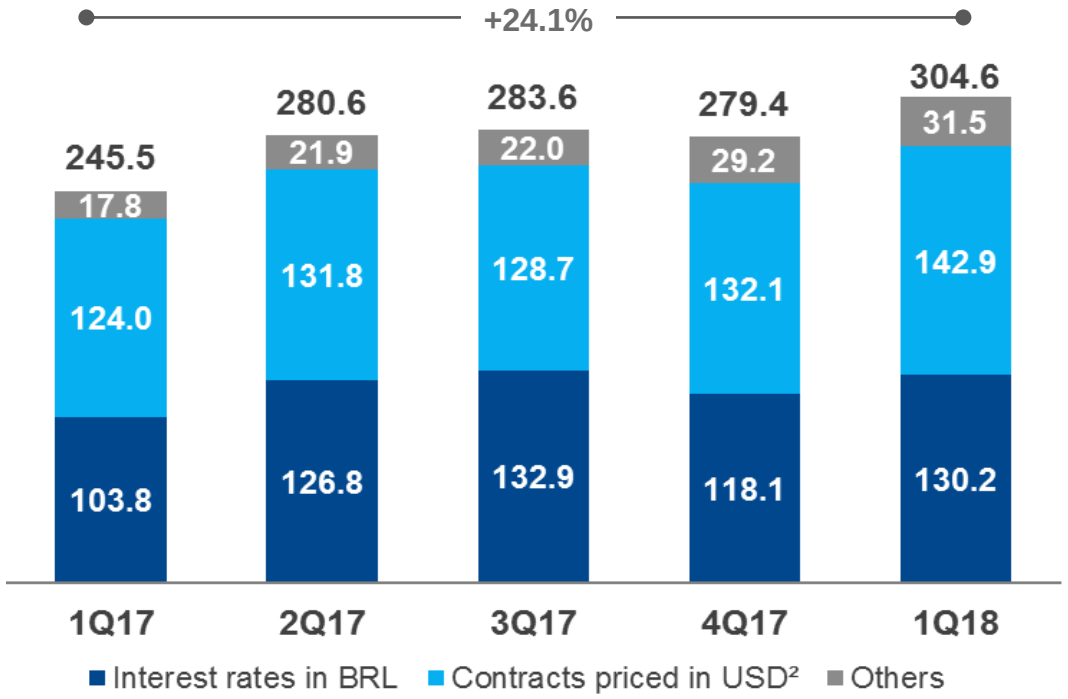




BM&F segment

Higher ADV from all groups of contracts led to revenue growth

REVENUE[1] *(in R$ millions)*



1Q18 HIGHLIGHTS

Stock indices ADV growth driven by HFTs and retail investors

Higher share of HFTs and day-trades drove RPC down

ADV *(in thousand of contracts)*

CONTRACTS	1Q17	1Q18	YoY
Interest rates in BRL	1,644.1	2,108.7	28.3%
FX rates	490.5	640.1	30.5%
Stock indices	251.1	566.1	125.5%
Interest rates in USD	249.9	290.0	16.1%
Commodities	8.5	10.8	27.6%
TOTAL	**2,644.1**	**3,615.7**	**36.7%**

REVENUE PER CONTRACT[2] *(in R$)*

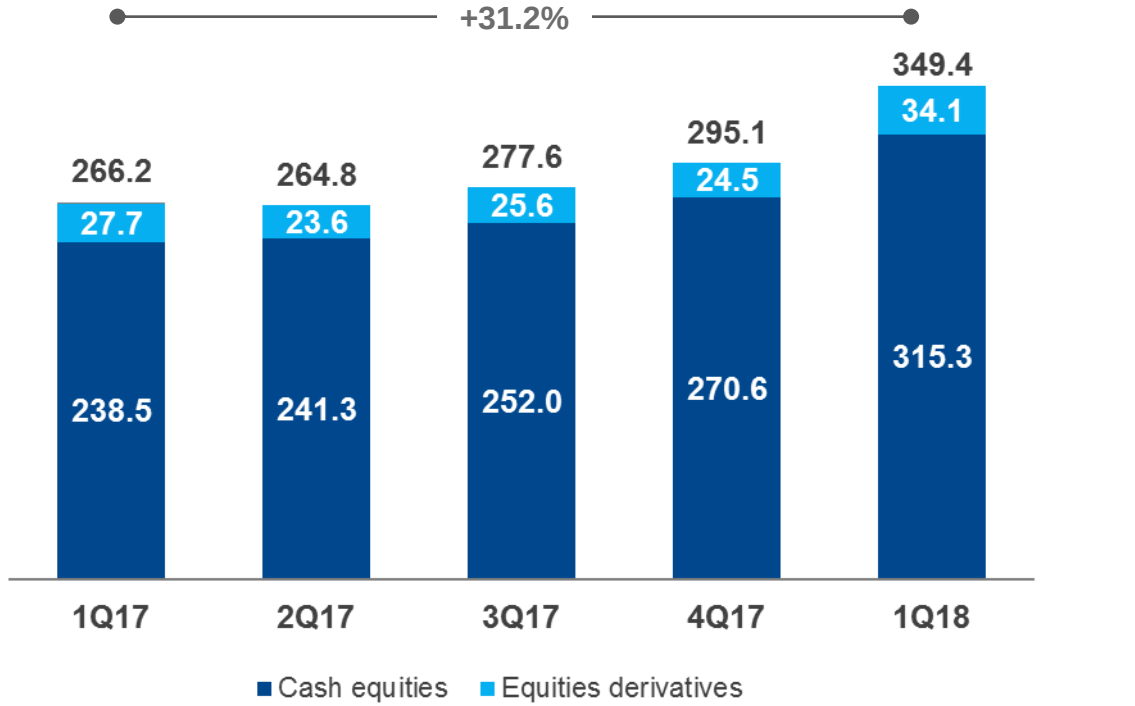
CONTRACTS	1Q17	1Q18	YoY
Interest rates in BRL	1.026	1.035	0.8%
FX rates	3.138	2.970	-5.4%
Stock indices	0.992	0.849	-14.4%
Interest rates in USD	1.441	1.505	4.4%
Commodities	1.947	1.710	-12.2%
TOTAL	**1.457**	**1.388**	**-4.7%**

[1] Revenue does not consider the revenue line "foreign exchange" of the BM&F segment, as reported in the financial statements note 20, which totaled R$4.6 million in 1Q18. [2] Mini contracts volume were weighted in the respective standard contracts, impacting volumes and RPC of these contracts groups.

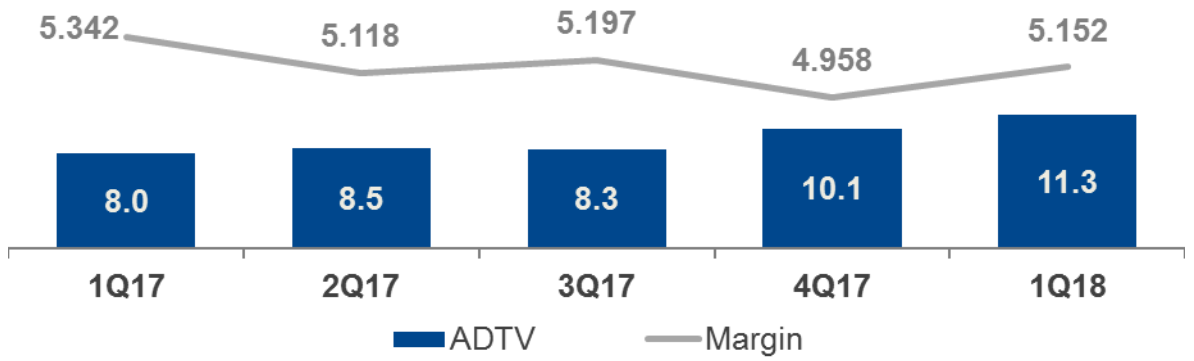
Bovespa segment

Market capitalization recovery and higher turnover velocity drove volumes up

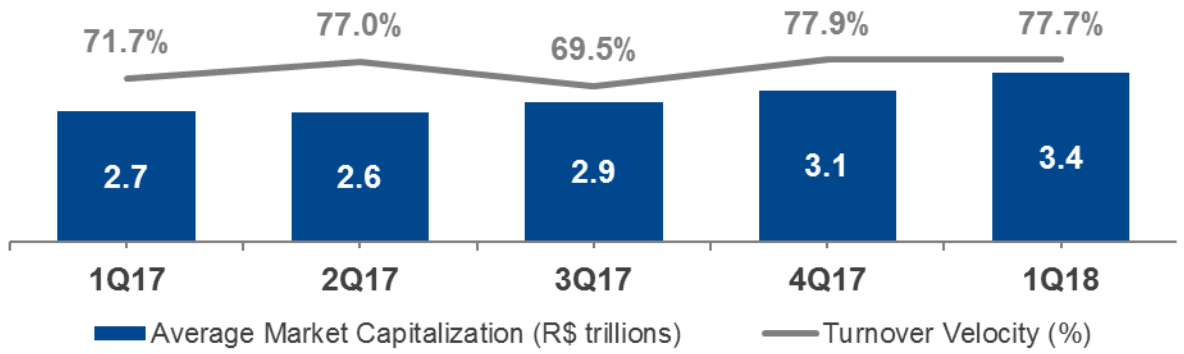
REVENUE[1] *(in R$ millions)*



ADTV *(in R$ billions)* AND MARGIN *(in bps)*



MARKET CAPITALIZATION *(in R$ trillions)* AND TURNOVER VELOCITY *(%)*



1Q18 HIGHLIGHTS

ADTV growth driven by a 29.4% YoY growth in market capitalization and higher turnover velocity (+599 bps)

Trading and post-trading margins of 5.152 bps, 3.6% decrease YoY

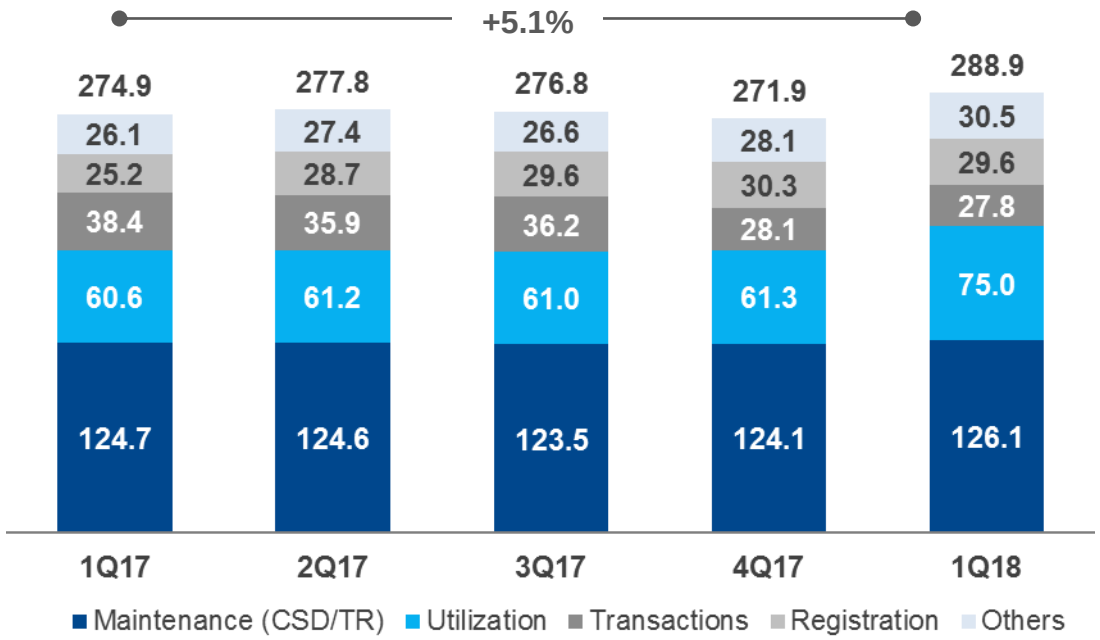
- Lower participation of derivative contracts and discounts to the market triggered by higher volumes traded

[1] Revenue does not consider (i) the revenue line "others" of Bovespa Segment, as reported in the financial statements note 20, which totaled R$ 4.8 million in the 1Q18.

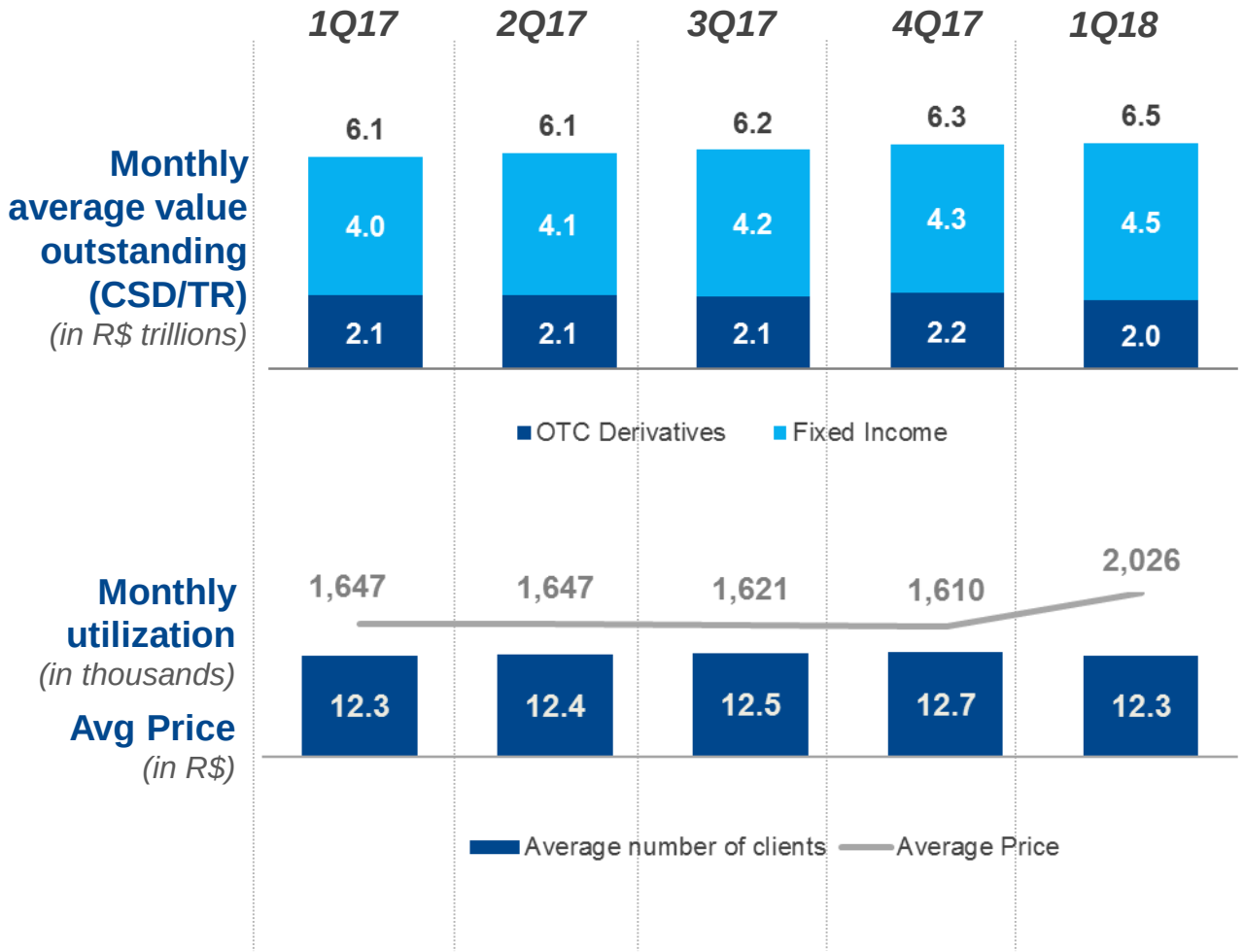
Cetip Securities segment

Revenue resilience and recurrence

REVENUE *(in R$ millions)*



OPERATIONAL FIGURES



1Q18 HIGHLIGHTS

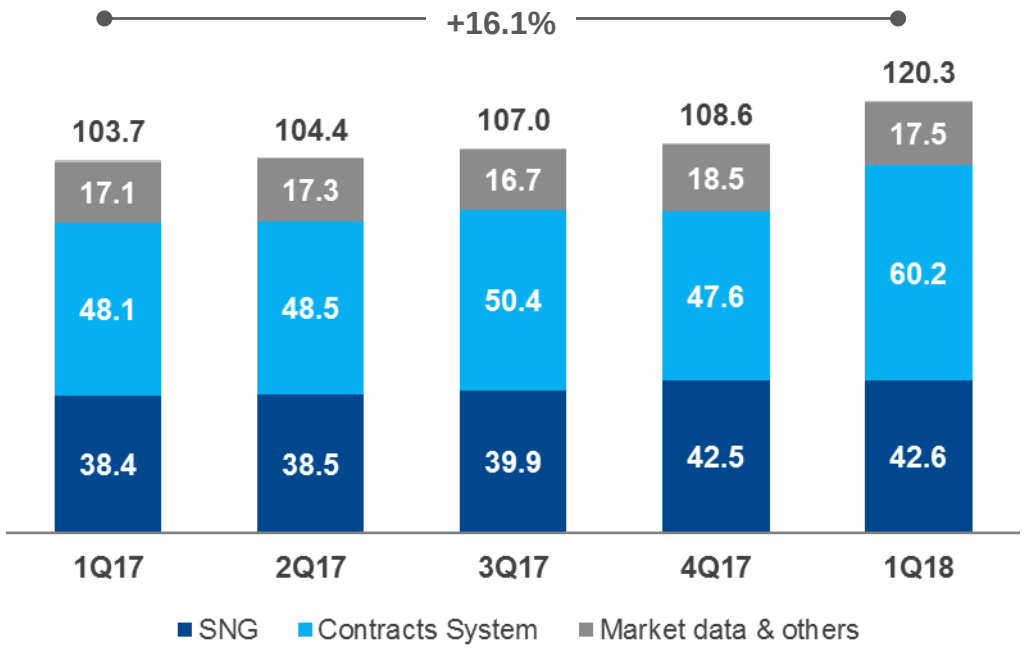
Utilization: new pricing policy implemented in Jan'18

Sharing expense synergies: full impact of discounts (R$7.8 million in the quarter, or 30% of the synergies captured)

Cetip Liens and Loans segment

Recovery in the vehicles' financing activity

REVENUE *(in R$ millions)*



OPERATIONAL FIGURES

	1Q17	2Q17	3Q17	4Q17	1Q18
Number of vehicles sold *(in thousand)*	3,938	4,299	4,636	4,532	4,052
	712	794	847	861	798
	3,226	3,505	3,789	3,672	3,254
	1Q17	2Q17	3Q17	4Q17	1Q18
			Used New		
Number of vehicles financed *(in thousand)*	1,209	1,217	1,310	1,370	1,312
	410	436	470	486	469
	799	781	840	884	843
	1Q17	2Q17	3Q17	4Q17	1Q18
			Used New		
Vehicles financed / vehicles sold	30.7%	28.3%	28.2%	30.2%	32.4%
Contracts System (market share)	74.4%	74.6%	72.1%	65.2%	66.7%

1Q18 HIGHLIGHTS

Increase in both the number of vehicles sold and the credit penetration

New business model adopted in the state of São Paulo positively impacted revenues of the Contracts System service (details in slide 9)

Cetip Liens and Loans segment

New business model for the Contracts System service

NEW BUSINESS MODEL ADOPTED IN THE STATE OF SÃO PAULO STARTING FROM JAN'18

Previous business model

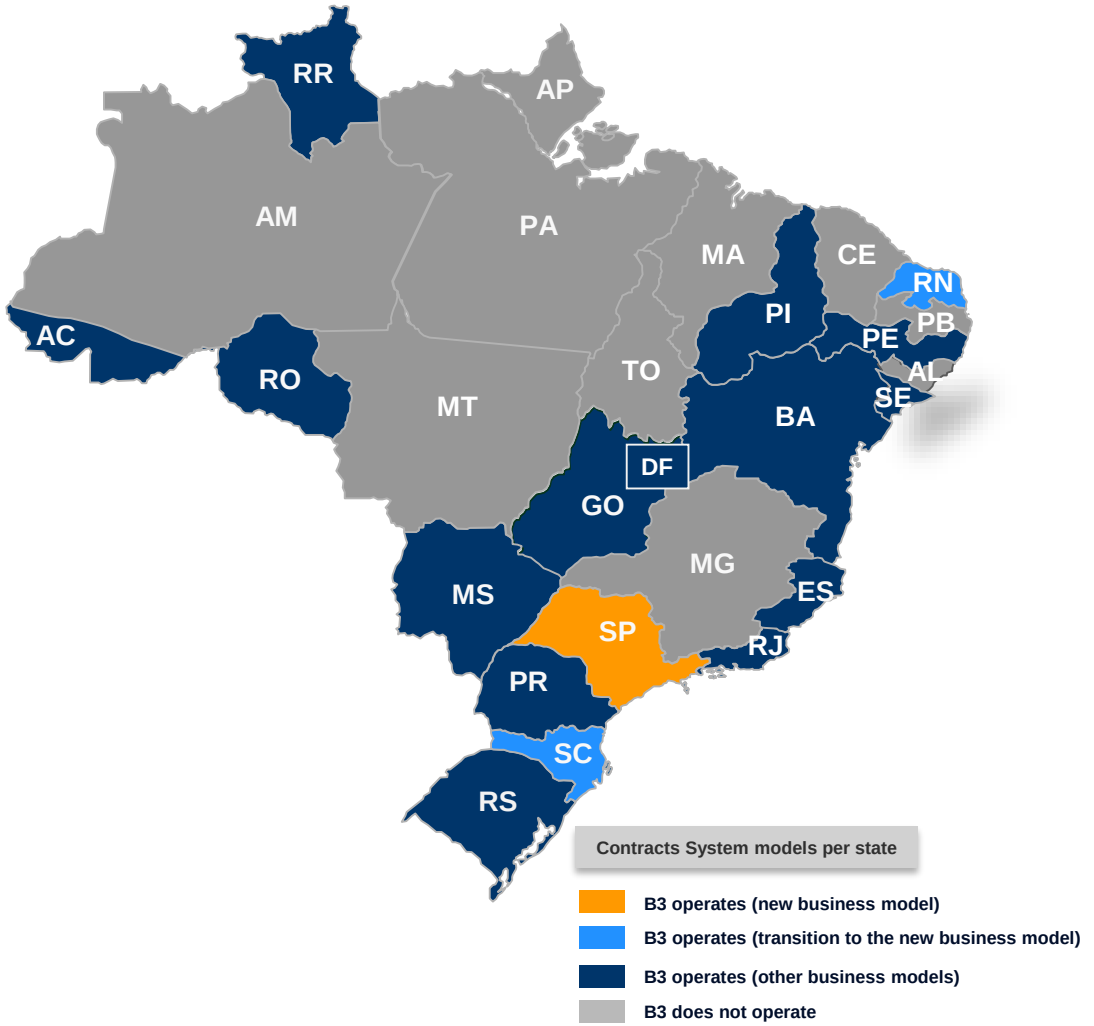
B3 transmited, on behalf of its clients, information on loans directly to the local DMV, which executed the registration of the loan

Economics *(in R$)*	
Total fee	55.55
Revenue tax	3.14
Revenue-linked expense	14.91
Gain per loan[2]	37.50

New business model

B3 transmits, on behalf of its clients, information on loans to an Registering Company[1], which, in turn registers those with the local DMV

Economics *(in R$)*	
Total fee	89.02
Revenue tax	5.03
Revenue-linked expense	57.65
Gain per loan[2]	26.34



The adoption of the same new business model by other states will impact revenue/expense/earnings in the coming quarters[3]

B3 has worked on initiatives to offset most of the negative impact from this new business model (rollout of these initiatives expected for the coming quarters)

[1] Registering Company accredited by the local traffic department (Department of Motor Vehicles – DMV). [2] Earn per loan before other operating expenses and income tax. [3] In the 12-month period between Apr´17 and Mar´18, the state of São Paulo represented 44% of the total number of contracts transmitted by B3 and 30% of the total number of vehicles financed in the country.

Expenses and Guidance

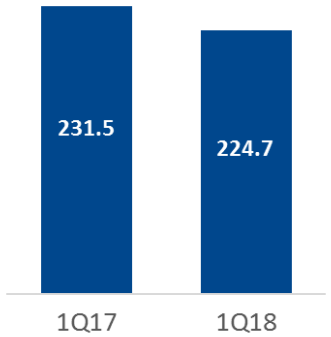
Adjusted expenses guidance revised and introduction of a specific guidance for revenue-linked expenses

EXPENSE *(in R$ millions)*

Expenses with guidance disclosed | Expenses for which no guidance was disclosed | FY18 guidance

Adjusted expense[1]

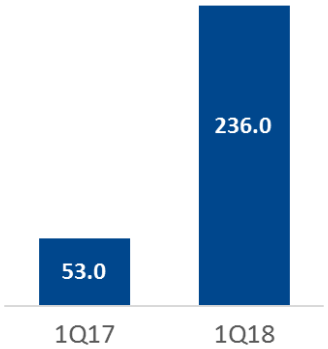
960 - 1,000



Expenses exposed mainly to inflation readjustments (wages and contracts)

D&A

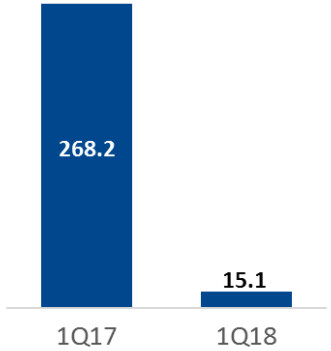
910 - 980



Intangible assets amortization (R$187.2 million in 1Q18) recognized in the combination with Cetip started in Apr'17

Related to the combination with Cetip

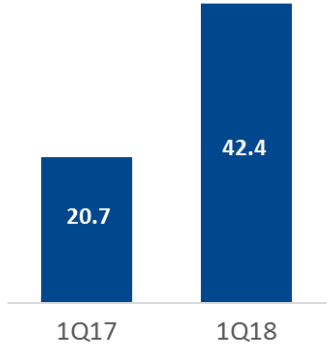
55 - 75



Considerable decline due to the progress in the integration process

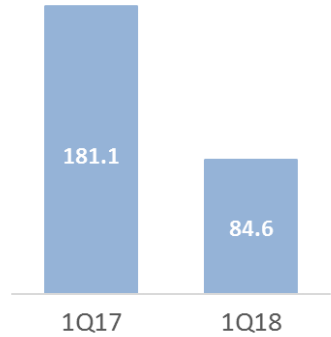
Revenue-linked expenses

200 - 220



New business model adopted in state of São Paulo for the Contract System service (Cetip Lien and Loans segment)

Stock grant expenses and provisions

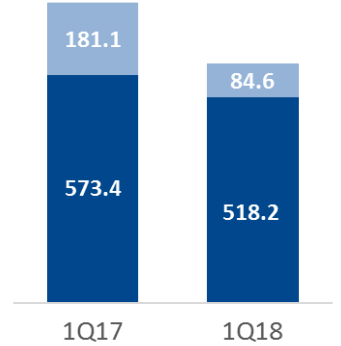


In 1Q17, non-recurring provisions recognized in connection with the combination with Cetip

A significant portion of provisions and stock grant expenses varies according to B3SA3 market price

Total

2,115 - 2,275



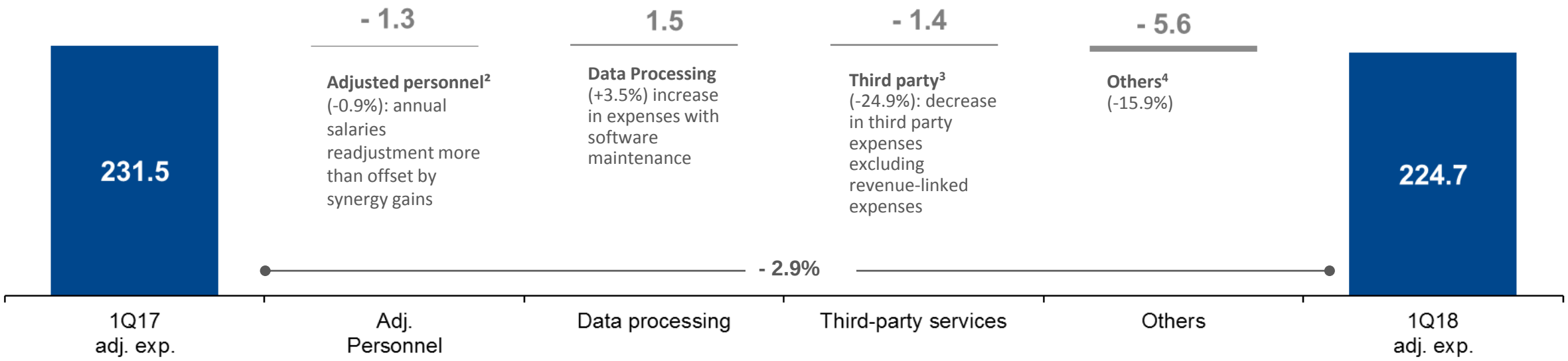
[1] See reconciliation in the slide 19

Adjusted expenses

Continued focus on expense management

ADJUSTED EXPENSES[1] *(in R$ millions / % growth YoY)*

(Combined information; B3)



(in R$ millions and % of total adjusted expenses)

1Q18	145.4 (48.9%)	45.1 (15.2%)	4.3 (1.9%)	29.9 (13.3%)
1Q17	146.6 (58.1%)	43.6 (17.3%)	5.7 (2.5%)	35.5 (15.3%)

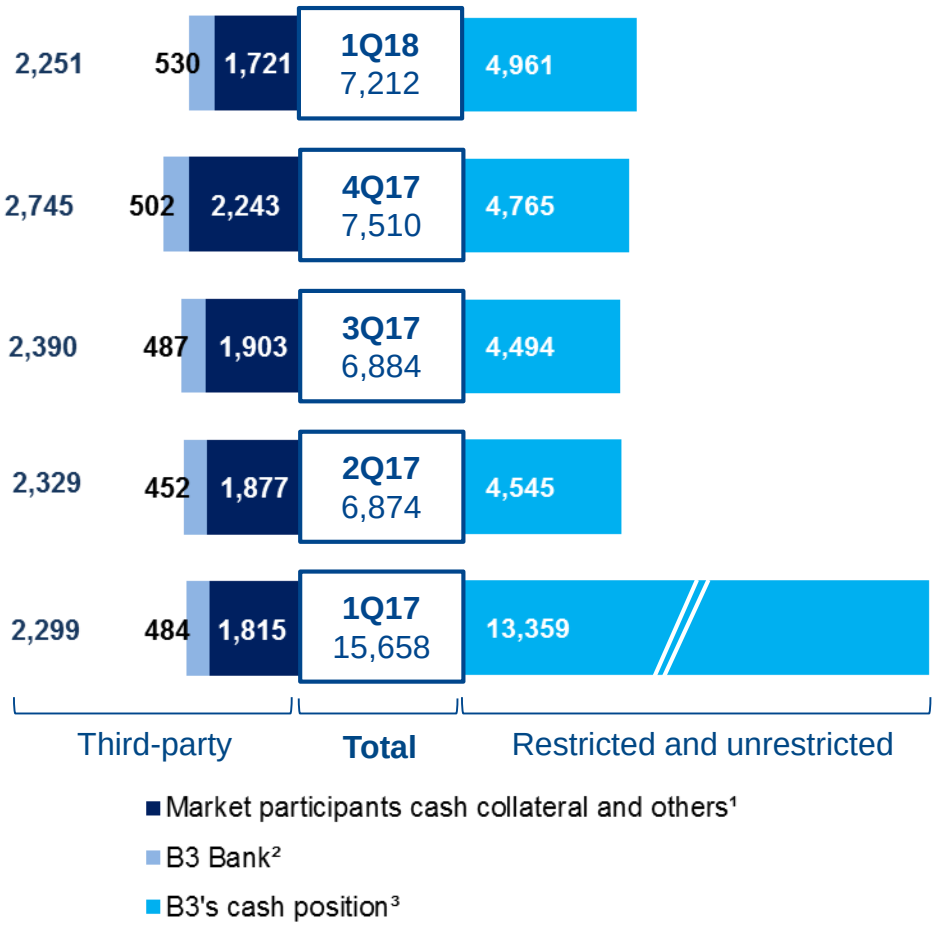
[1] Adjusted to (i) depreciation and amortization; (ii) long-term stock-based compensation (principal + payroll taxes); (iii) integration-related expenses; (iv) provisions and (v) revenues-linked expenses. [2] Excluding the long-term stock-based compensation (principal + payroll taxes). [3] Excluding revenue-linked expenses [4]Includes expenses with communication, maintenance, taxes, board and committee members compensation and others.

Financial highlights

Solid cash position is required for clearinghouse safeguards

CASH AND FINANCIAL INVESTMENTS *(in R$ millions)*

(Combined information; B3)



B3's own cash position totaled R$5.0 bn in 1Q18

R$2.5 - R$3.0 billion to run the business

- R$1.1 billion in clearinghouses' required safeguards
- The remaining amount adds to the liquidity that supports the clearinghouse activity and general corporate needs

Interest on capital (IoC) payment:

- Includes R$200 million on IoC deliberated on Apr'18 to be paid on May'18

Third-party cash

Not considered as B3's own cash

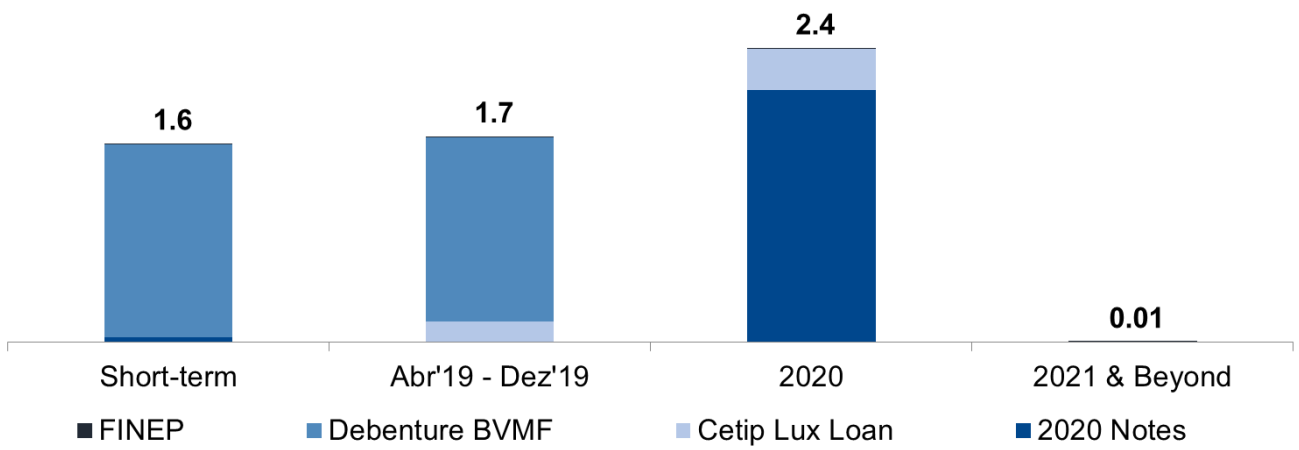
The Company earns interest on most of this cash balance

¹ Includes earnings and rights on securities in custody. ² Includes B3 Bank clients' deposits. ³ Does not include investments in Bolsa Mexicana de Valores, Bolsa de Comercio de Santiago, Bolsa de Valores de Colombia and Bolsa de Valores de Lima amounting R$335.7 million at 1Q18, booked as financial investments. See note 4 to the financial statements.

Financial highlights (cont.)

Temporally higher financial leverage

DEBT AMORTIZATION SCHEDULE *(in R$ billions)*



FINANCIAL LEVERAGE *(in R$ millions)*

(in R$ millions)	1Q18
Gross Debt	5,668
Adj. EBITDA (LTM)	2,776
Financial leverage	2.0x

Financial deleveraging and payout

R$1.5bn in debt amortization scheduled for Dec´18

B3 expects to be able to reduce its financial leverage to 1x Gross Debt / Adj. EBITDA by the end of 2019

Payout ratio target for the 2018 – 2019 period between 70% and 80% of the IFRS net income

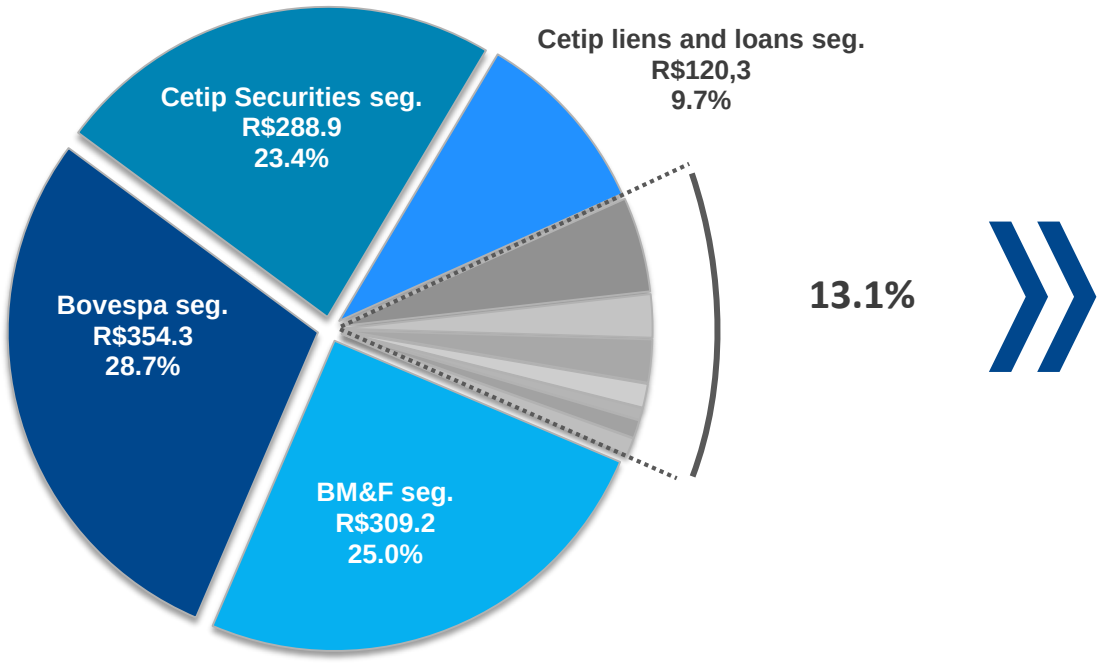
Appendix

Other revenues

Solid performance of depository and impact of non-recurring provision reversal

1Q18 REVENUE BREAKDOWN *(in R$ millions / % of the total)*

(Combined information; B3)



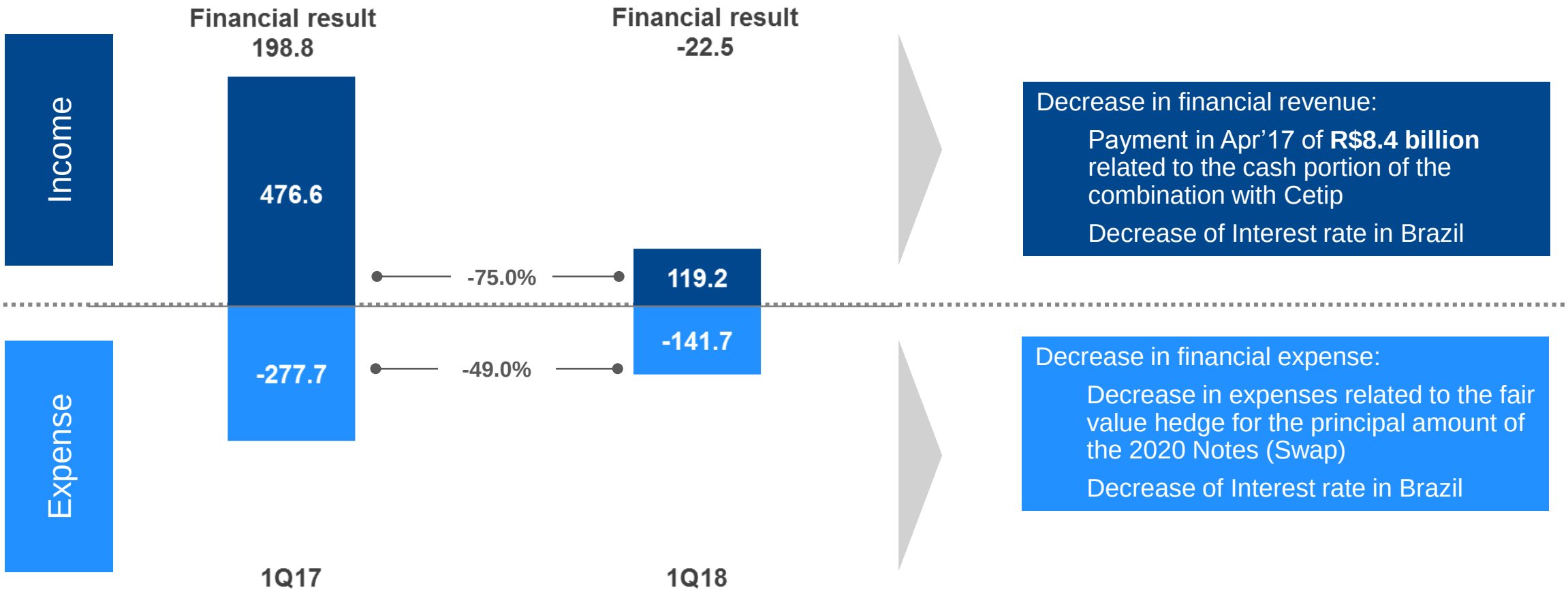
Other lines of business	1Q18	YoY
Depository	61.0	19.9%
Securities lending	27.6	2.2%
Market data (vendors)	27.7	6.9%
Listing	15.3	5.4%
Bank - financial intermediation and bank fees	7.6	-25.6%
Market participant access	11.6	39.2%
Other	11.1	116.7%
Total	**161.9**	**14.0%**

Financial highlights

Decrease in the financial result due to a lower cash position

FINANCIAL RESULT[1] *(in R$ millions)*

(Combined information; B3)



Decrease in financial revenue:

- Payment in Apr'17 of **R$8.4 billion** related to the cash portion of the combination with Cetip
- Decrease of Interest rate in Brazil

Decrease in financial expense:

- Decrease in expenses related to the fair value hedge for the principal amount of the 2020 Notes (Swap)
- Decrease of Interest rate in Brazil

[1] The Company set a cash flow hedge, designating the 1-year foreign currency loan taken in Dec'16 to cover the effects of currency variations on part of the revenues denominated in USD for BM&F segment, therefore reducing the impact of exchange rate variations on revenues for this segment and, at the same time, on the Company's financial results. The Company ceased to use hedging of USD revenues as of March 1, 2018.

Combination-related Opex and Capex

Budget of business combination-related expenses and investments

Estimates on expenses and other impacts arising from the completion of the business combination with Cetip[1] *(R$ millions)*

	2016	2017	1Q18	2018e	Total
Contractual commitments and other accounting impact	**-**	**232.5**	**-**	**-**	**232.5**
Cetip´s LT compensation and retention programs (cancelation of stock options and payroll taxes)	-	133.1	**-**	**-**	**133.1**
Impairment / write-offs / provision for contractual fines	-	99.4	**-**	**-**	**99.4**
Retention / severance programs approved in the AGM of 04/28/17[2]	**-**	**84.6**	**8.7**	**~25.0**	**100.0 – 110.0**
Advisors, consultants, branding	**70.3**	**89.3**	**0.4**	**~10.0**	**165.0 – 170.0**
Total	**70.3**	**406.5**	**9.1**	**~35.0**	**505.0 – 515.0**

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

Estimates on expenses and Capex necessary to capture synergies *(R$ millions)*

	2016	2017	1Q18	2018e	Total
Severance and services providers' expenses	**8.5**	**150.9**	**6.0**	**~20.0**	**175.0 – 190.0**
Capex (projects and integration)	**0.0**	**8.3**	**3.3**	**~15.0**	**20.0 – 30.0**

Financial statements

Summary of income statement (consolidated)

SUMMARY OF INCOME STATEMENT *(in R$ thousands)*

	1Q18	1Q17	1Q18 / 1Q17 (%)	4Q17	1Q18 / 4Q17 (%)
Net revenues	1,111,922	940,907	18.2%	1,033,596	7.6%
Expenses	(602,821)	(754,518)	-20.1%	(589,438)	2.3%
Financial result	(22,499)	198,826	-111.3%	(25,244)	-10.9%
Income tax and social contribution	(172,871)	(110,738)	56.1%	97,078	-278.1%
Net income	314,736	209,145	50.5%	516,147	-39.0%
Adjusted expenses[1]	(224,681)	(231,496)	-2.9%	(283,662)	-20.8%
Adj. EBITDA[1]	**760,207**	**641,835**	**18.4%**	**672,881**	**13.0%**
Adj. EBITDA margin	*68.4%*	*68.2%*	*15 bps*	*66.6%*	*181 bps*
Recurring net income[2]	**448,215**	**527,232**	**-15.0%**	**635,797**	**-29.5%**

[1] See reconciliation in the slide 19 in the appendix. [2] See reconciliation in the slide 20 in the appendix.

Financial statements

Adjusted expenses and EBITDA reconciliations

ADJUSTED EXPENSES RECONCILIATION *(in R$ thousands)*

	1Q18	1Q17	1Q18/1Q17 (%)	4Q17	1Q18/4Q17 (%)
Expenses	**(602,821)**	**(754,518)**	-20.1%	**(589,438)**	2.3%
(+) Depreciation and amortization	236,049	52,976	345.6%	**234,582**	0.6%
(+) Long term stock based compensation	34,887	32,813	6.3%	**20,618**	69.2%
(+) Expenses related to the combination with Cetip	15,057	268,217	-94.4%	**43,575**	-65.4%
(+) Provisions (recurring and non-recurring)	49,708	148,337	-66.5%	**(22,558)**	-320.4%
(+) Revenue-linked expenses	42,439	20,679	105.2%	**29,558**	43.6%
Adjusted expenses	**(224,681)**	**(231,496)**	-2.9%	**(283,662)**	**-20.8%**

EBITDA RECONCILIATION *(in R$ thousands)*

	1Q18	1Q17	1Q18/1Q17 (%)	4Q17	1Q18/4Q17 (%)
EBITDA	**745,150**	**239,366**	211.3%	**678,740**	9.8%
(+) Expenses related to the combination with Cetip	15,057	268,217	-94.4%	43,575	-65.4%
(+) Non-recurring provisions	-	134,253	-100.0%	(49,434)	-100.0%
Adjusted EBITDA	**760,207**	**641,835**	*18.4%*	**672,881**	*13.0%*
Adjusted EBITDA margin	*68.4%*	*68.2%*	*15 bps*	*66.6%*	*181 bps*

Recurring net income

Reconciliation of net income – excluding non-recurring items

NET INCOME RECONCILIATION *(in R$ thousands)*

	1Q18	1Q17	1Q18/1Q17(%)	4Q17	1Q18/4Q17 (%)
Net income (attributable to shareholders)	**314,723**	**209,026**	50.6%	**516,110**	-39.0%
(+) Expenses related to the combination with Cetip	9,938	177,796	-94.4%	28,760	-65.4%
(+) Non-recurring provisions	-	88,607	-100.0%	(32,626)	-100.0%
(+) Impairment	-	43,235	-	-	-
(+) Impact related to CME Group	-	-	-	-	-
(+) Amortization of intangibles from combination with Cetip	123,554	-	-	123,554	0.0%
(+) Amortization of intangibles from combination with GRV	-	8,567	-	-	-
Recurring net income	**448,215**	**527,232**	**-15.0%**	**635,797**	**-29.5%**
(+) Deferred Tax (goodwill from Bovespa combination)	-	133,054	-	133,054	-
(+) Deferred Tax (goodwill from Cetip combination)	119,629	-	-	119,629	0.0%
Recurring net income adjusted by goodwill tax benefit	**567,844**	**660,286**	**-14.0%**	**888,480**	**-36.1%**

Financial statements

Summary of balance sheet (consolidated)

BALANCE SHEET (in R$ thousands)

ASSETS	Mar 31, 2018	Dec 31, 2017	LIABILITIES AND EQUITY	Mar 31, 2018	Dec 31, 2017
Current assets	**7,509,318**	**6,506,030**	**Current liabilities**	**4,347,228**	**5,491,250**
Cash and cash equivalents	252,615	711,140	Collateral for transactions	1,647,810	2,171,449
Financial investments	6,499,792	4,926,832	Financial instruments for hedge	19,258	18,032
Others	756,911	868,058	Loan	5,843	43,232
Noncurrent assets	**29,478,244**	**31,073,849**	Debentures	1,563,193	1,513,167
Long-term receivables	**1,159,704**	**2,563,595**	Others	1,111,124	1,745,370
Financial investments	795,426	2,197,268	**Noncurrent liabilities**	**7,994,941**	**7,778,615**
Others	364,278	366,327	Debt issued abroad	1,990,729	2,012,331
Investments	**45,587**	**44,962**	Loan	511,153	508,998
Property and equipment, net	**593,114**	**573,669**	Debenture	1,498,110	1,497,434
Intangible assets	**27,679,839**	**27,891,623**	Deferred inc. tax and social contrib.	3,230,198	3,081,088
Goodwill	22,338,799	22,338,876	Others	764,751	678,764
Software and projects	5,168,368	5,548,396	**Equity**	**24,645,393**	**24,310,014**
Others	172,672	189,680	Capital	3,198,655	3,198,655
			Capital reserve	18,384,164	18,399,366
			Others	3,052,241	2,701,673
			Non-controlling interests	**10,333**	**10,320**
Total Assets	**36,987,562**	**37,579,879**	**Total liabilities and equity**	**36,987,562**	**37,579,879**



Investor Relations

+55 11 2565-4729 / 4207 / 7935 / 7451 / 5115

ri@b3.com.br