



3Q17 Earnings Presentation

November 13, 2017

PUBLIC INFORMATION

B3.COM.BR

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3Q17 Highlights

Growth in all business segments



Operating highlights by segment – 3Q17 (vs. 3Q16)

BM&F

<i>ADV</i>	3.1m contracts	+ 49.4%
<i>RPC</i>	R\$1.372	- 20.1%

Cetip Securities

<i>Maintenance (CSD/Trade Repository) (avg. volume)</i>	R\$6.3tn	+ 4.9%
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Bovespa

<i>ADTV</i>	R\$8.4bn	+ 20.5%
<i>Margin</i>	5.197 bps	- 1.3%

Cetip Financing

<i>Vehicles financed</i>	1.3m	+ 12.2%
<i>CS market share</i>	72.1%	- 207 bps

Other 3Q17 highlights

2nd phase of the Clearinghouses' integration delivered in Aug'17

Post-merger integration process moving forward

3Q17 Highlights (cont.)

Growth in all business segments

[B]³

Financial highlights – 3Q17 (vs. 3Q16) (R\$ millions)

Total revenue:	1,170.8	+ 20.0%
BM&F:	288.3	+ 19.9%
Bovespa:	286.9	+ 18.7%
Cetip securities	276.8	+ 5.1%
Cetip financing	107.0	+ 17.3%
Others:	211.8	+ 52.4%

Net revenue	1,060.8	+ 20.3%
Adj. expenses¹	252.1	+ 2.2%
Adj. EBITDA²	667.8	+ 10.6%
Adj. EBITDA Margin	66.6%	- 189 bps
Rec. net income³	445.3	- 26.8%
Payout (IoC)	R\$168.1	-

Other 3Q17 highlights

Combination with Cetip:

Pre-tax: R\$34.7m

After-tax: R\$22.9m

Reversal of provision related to social security contribution (other revenues):

Pre-tax: R\$57.8 m

After-tax: R\$38.1 m

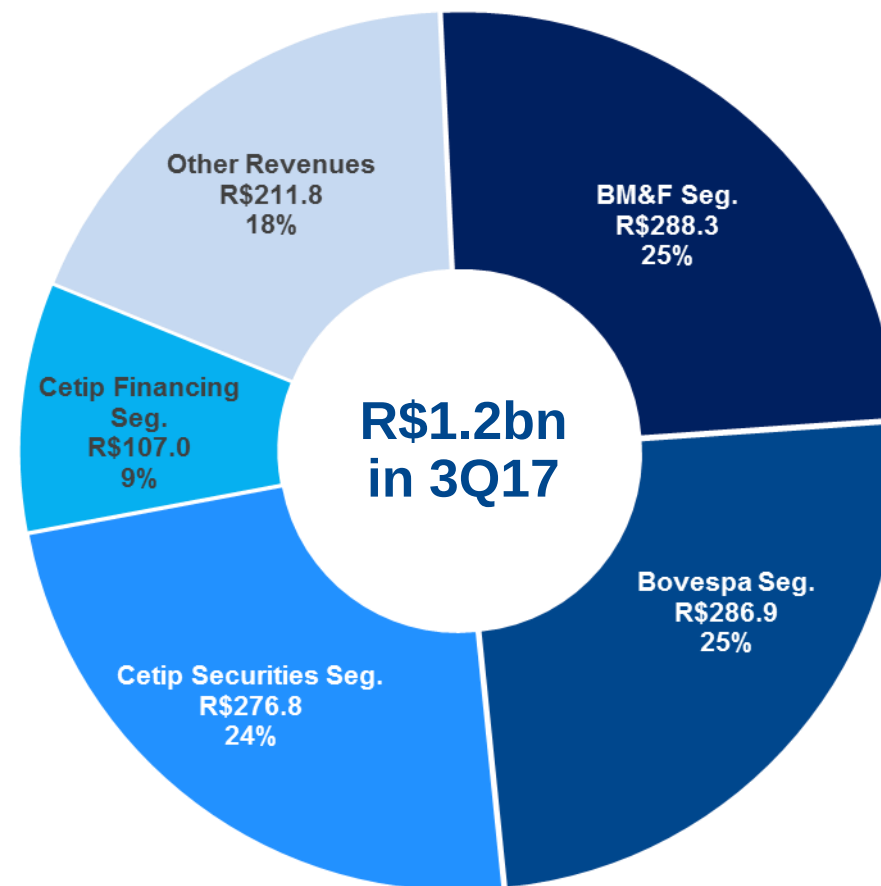
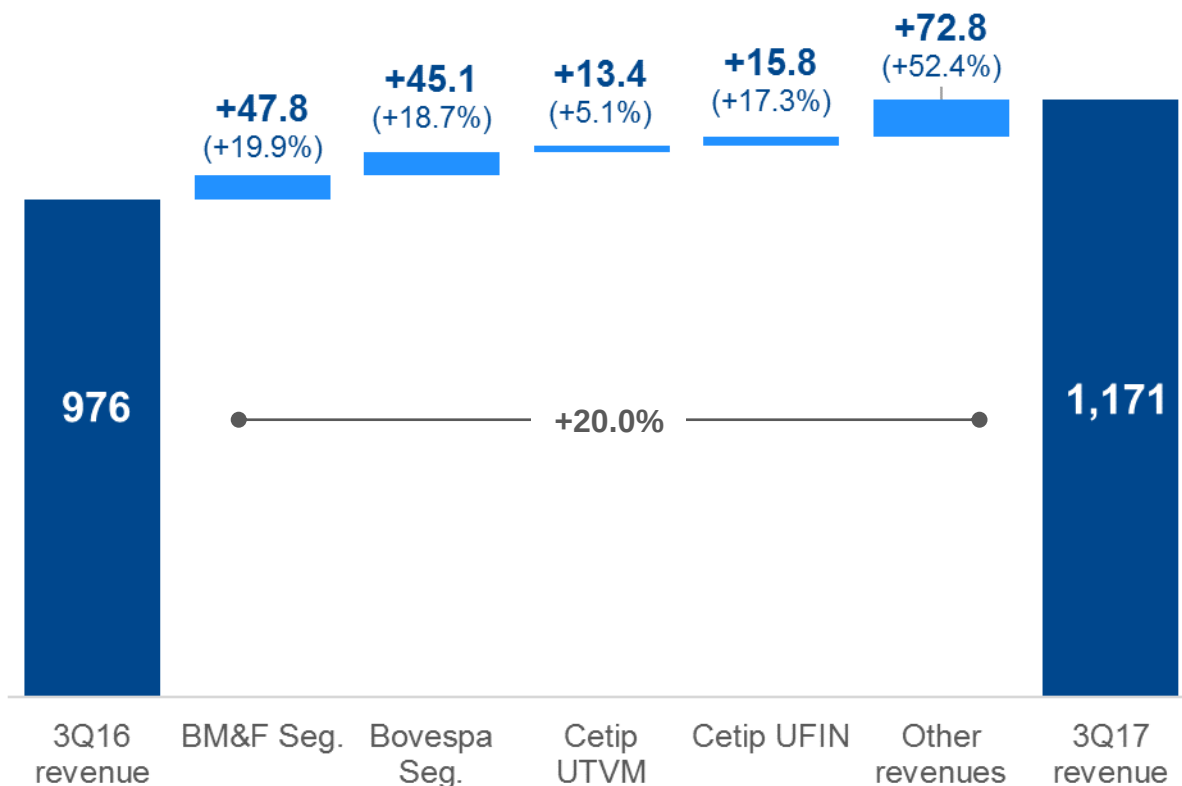
Revenue breakdown – 3Q17

Revenue growth in all segments – well balanced revenue diversification

[B]³

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

(Combined information; B3)

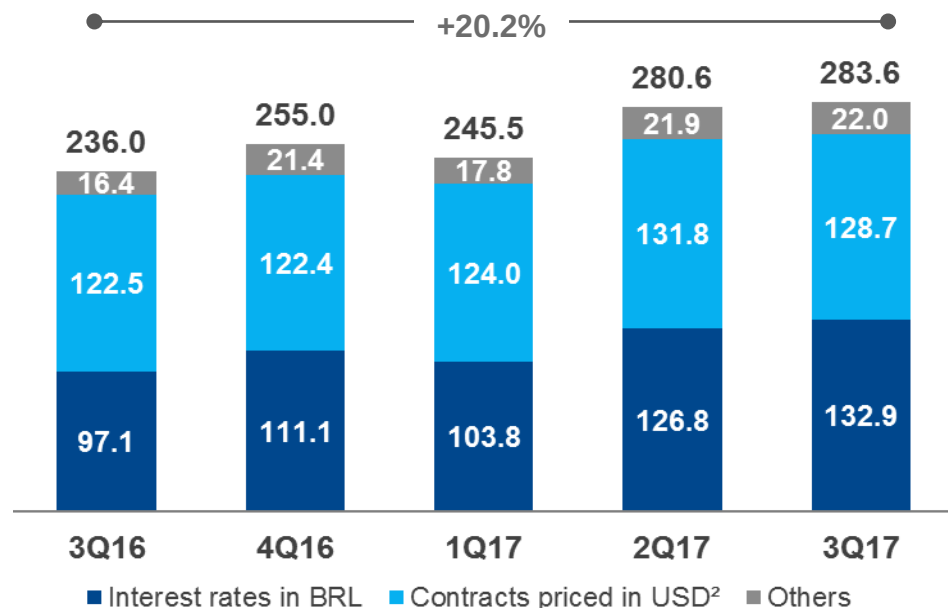


BM&F segment

Higher ADV from all groups of contracts led to revenue growth

[B]³

REVENUE¹ (in R\$ millions)



3Q17 HIGHLIGHTS

Volumes of Interest rates in BRL contracts boosted by the interest rate easing cycle

Higher share of options contracts, HFTs and day-trades drove RPC down

Adoption of cash flow hedge accounting for part of the USD-denominated revenues for this segment²

ADV³ (in thousand of contracts)

CONTRACTS	3Q16	3Q17	YoY
Interest rates in BRL	1,206.0	2,039.9	69.1%
FX rates	464.5	522.3	12.4%
Stock indices	199.9	321.7	60.9%
Interest rates in USD	229.3	254.1	10.8%
Commodities	9.2	11.9	30.0%
TOTAL	2,109.0	3,149.9	49.4%

REVENUE PER CONTRACT³ (in R\$)

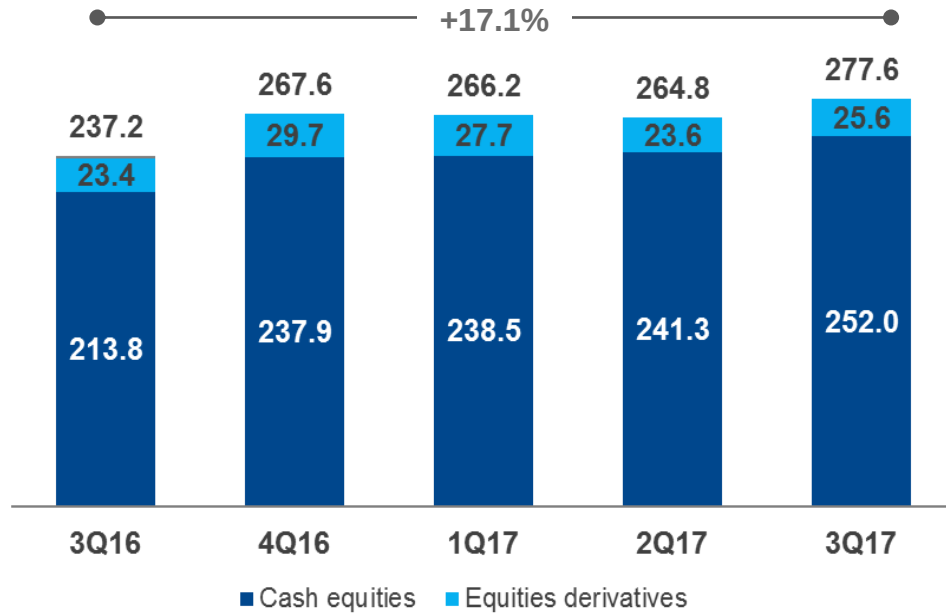
CONTRACTS	3Q16	3Q17	YoY
Interest rates in BRL	1.261	1.023	-18.9%
FX rates	3.249	2.963	-8.8%
Stock indices	1.066	0.954	-10.5%
Interest rates in USD	1.562	1.399	-10.4%
Commodities	2.361	2.115	-10.4%
TOTAL	1.718	1.372	-20.1%

Bovespa segment

Revenue growth driven by higher volumes

[B]³

REVENUE¹ (in R\$ millions)



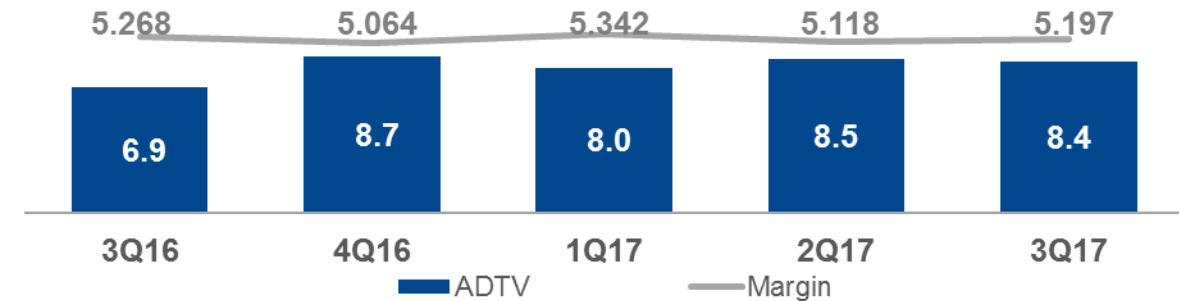
3Q17 HIGHLIGHTS

Average market capitalization of listed companies increased 18.9% YoY

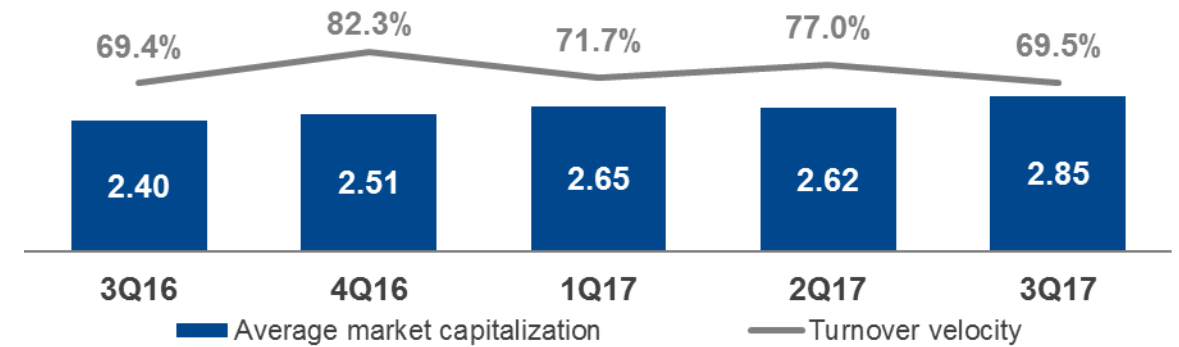
Trading and post-trading margins of 5.197 bps, 1.3% decrease YoY (from 5.268 bps in 3Q16)

- Higher participation of local institutional investors

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



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

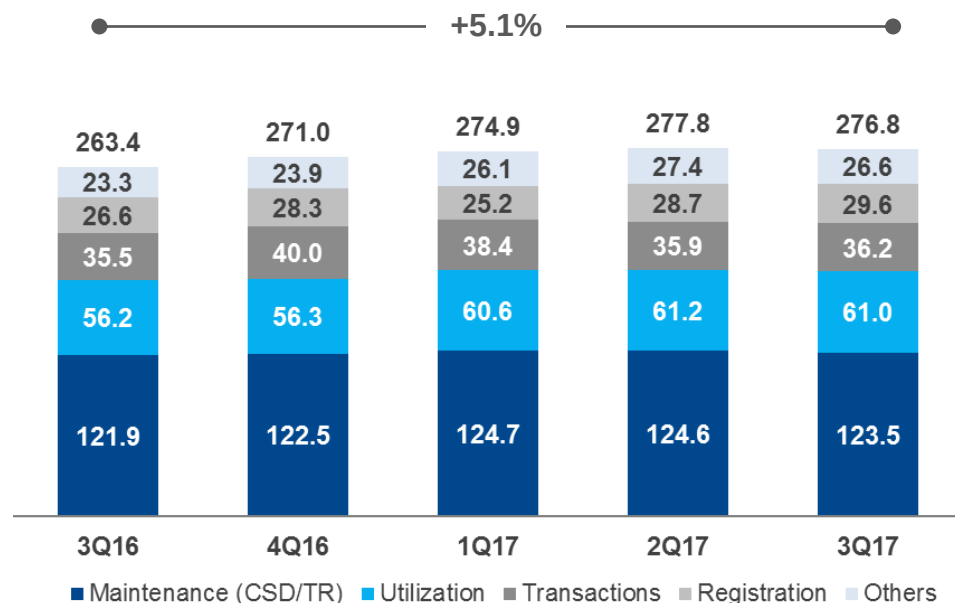


Cetip Securities segment

Revenue resilience and recurrence

[B]³

REVENUE (in R\$ millions)

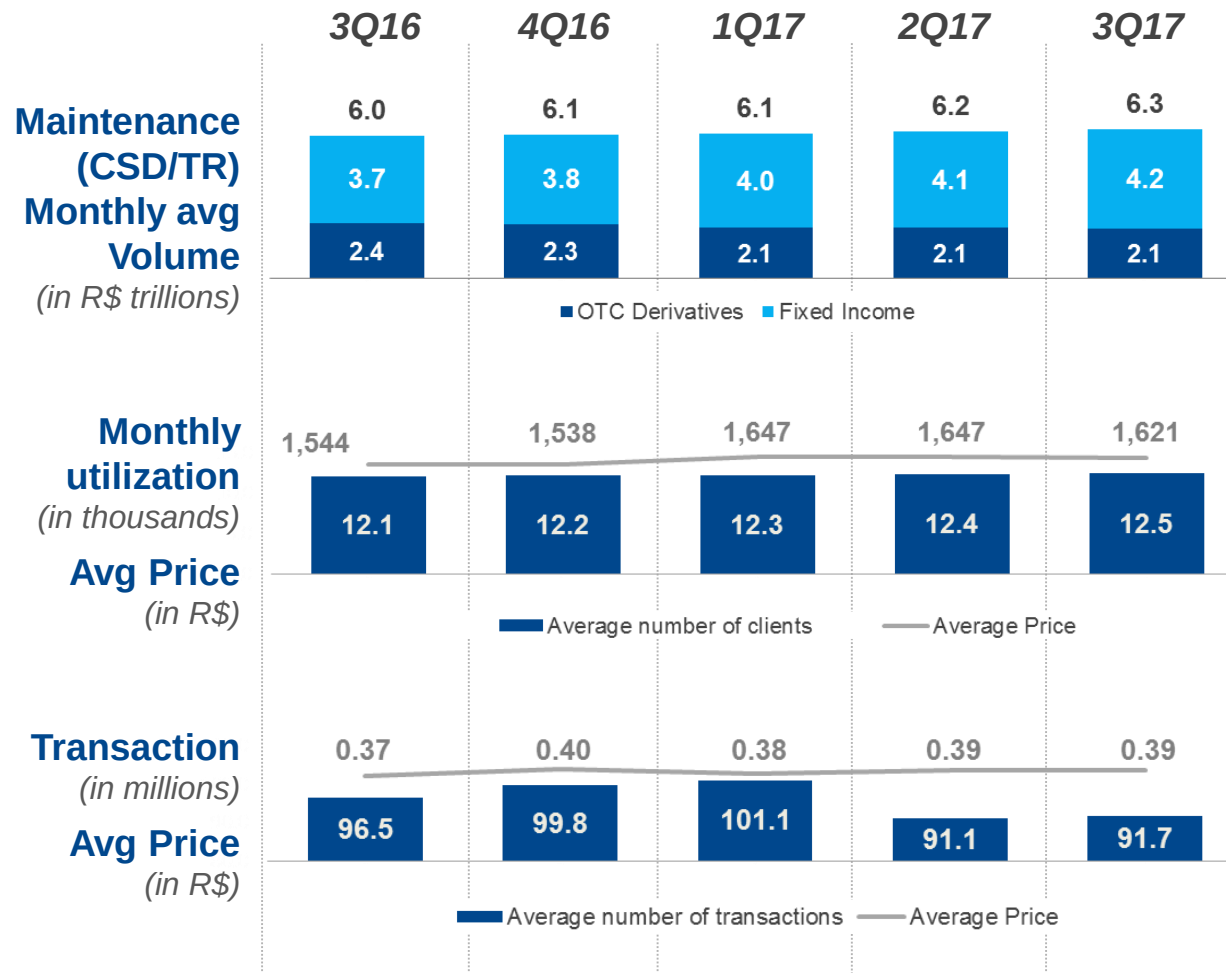


3Q17 HIGHLIGHTS

Fixed income instruments registration and maintenance (CSD/Trade Repository) volumes increased, mostly driven by time-deposits (CDBs) activity

Monthly utilization revenue up 8.4%, reflecting the increase in number of clients and price readjustment by inflation

OPERATIONAL FIGURES

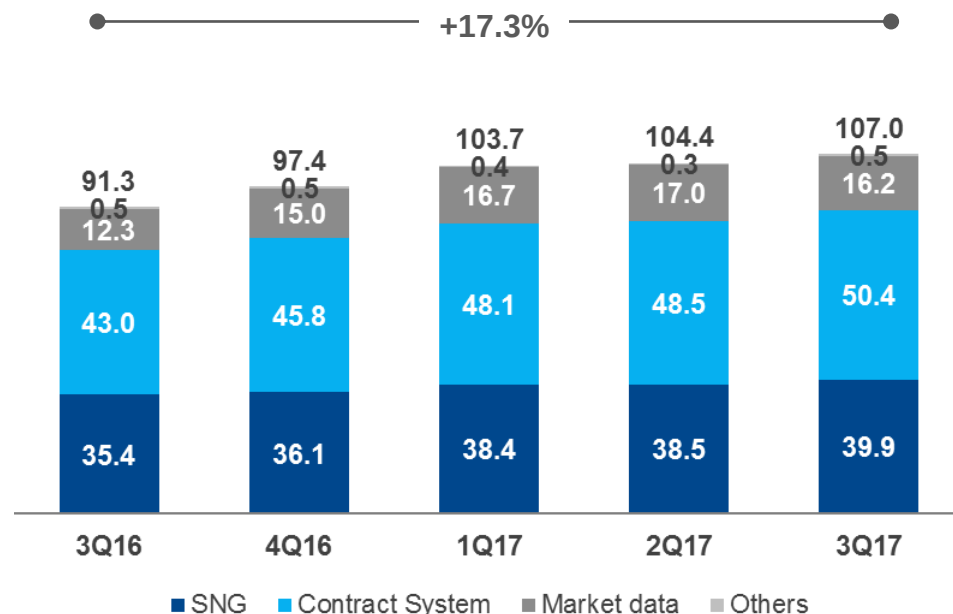


Cetip Financing segment

Initial signs of recovery in the vehicles' financing activity

[B]³

REVENUE (in R\$ millions)



3Q17 HIGHLIGHTS

Increase in vehicles sales and credit penetration

Lower market share in the Contracts System due to the interruption of services in Minas Gerais state (Sep'17 onwards)

OPERATIONAL FIGURES

	3Q16	4Q16	1Q17	2Q17	3Q17
Number of vehicle sold (in thousand)	4,381	4,347	3,938	4,299	4,636
	788	794	712	794	847
	3,593	3,554	3,226	3,505	3,789
	■ Used ■ New				
Number of vehicle financed (in thousand)	1,167	1,228	1,209	1,217	1,310
	432	429	410	436	470
	735	799	799	781	840
	■ Used ■ New				
Vehicles financed / vehicles sold	26.6%	28.3%	30.7%	28.3%	28.2%
Contracts System (market share)	74.1%	75.1%	74.4%	74.6%	72.1%

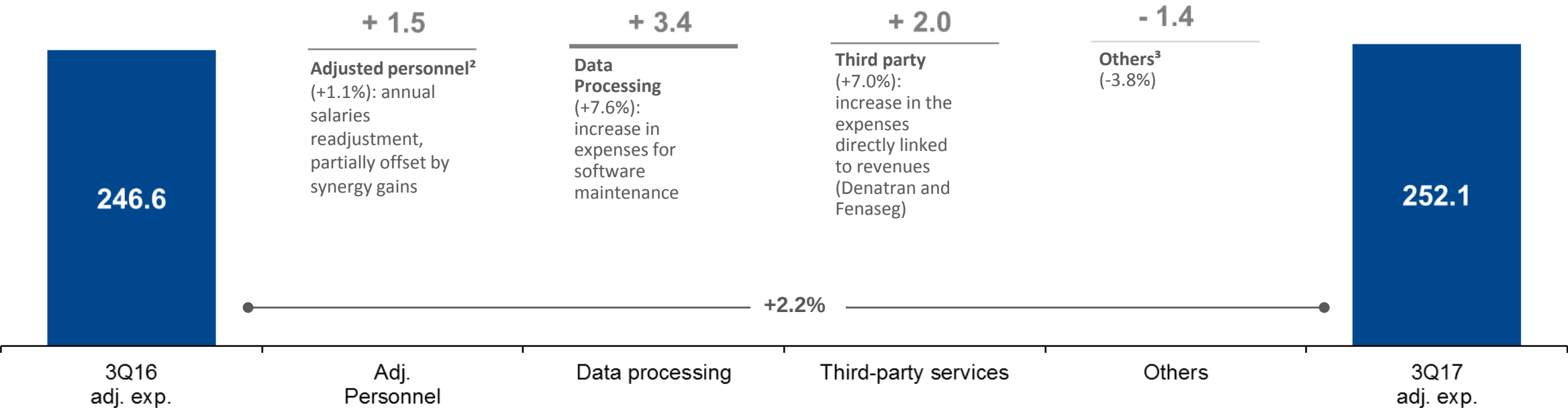
Adjusted expenses

Continued focus on expense management

[B]³

ADJUSTED EXPENSES¹ (in R\$ millions)

(Combined information; B3)



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

	3Q17	3Q16
Adj. Personnel	138.4 (55%)	136.9 (55%)
Data processing	48.1 (19%)	44.7 (18%)
Third-party services	30.6 (12%)	28.6 (12%)
Others	35.0 (14%)	36.4 (15%)

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

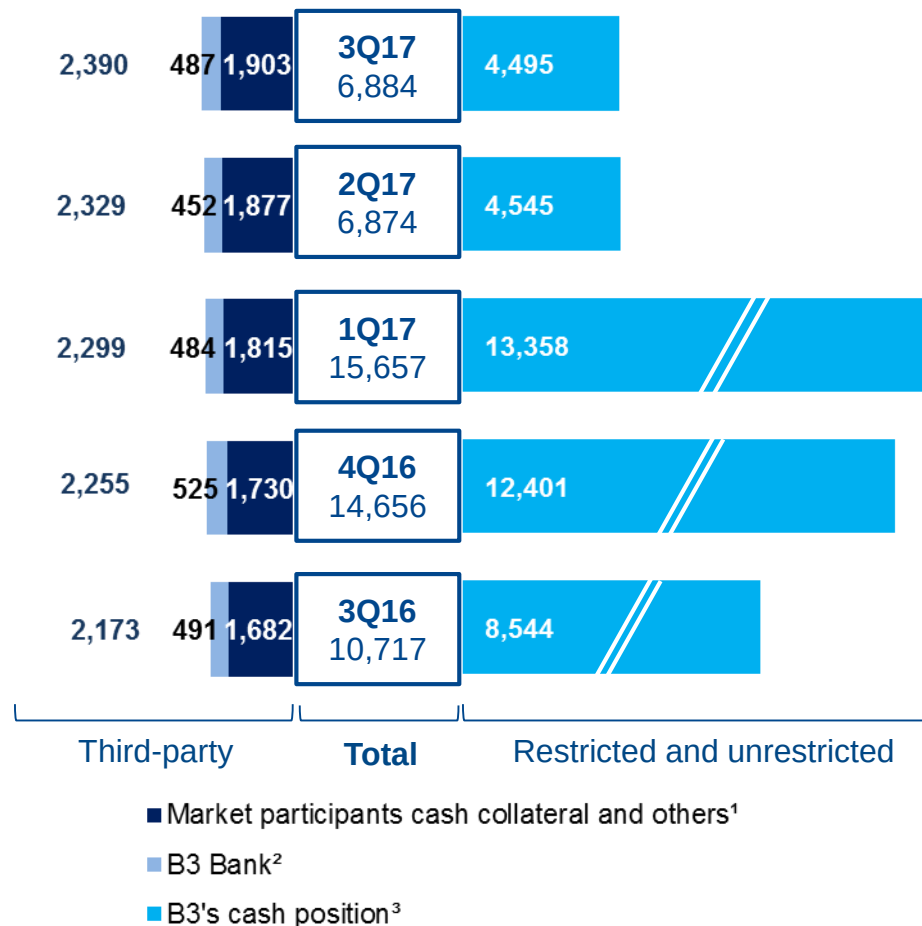
Financial highlights

Solid cash position is required for clearinghouse safeguards



CASH AND FINANCIAL INVESTMENTS (in R\$ millions)

(Combined information; B3)



B3's cash position totaled R\$4.5bn in 3Q17

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

- R\$1.0 billion in clearinghouses' required safeguards
- The remaining amount adds to the liquidity that supports the clearinghouse activity and general corporate needs

Short-term obligations settled in Sep'17:

- Maturity of R\$500 million debentures

Third-party cash

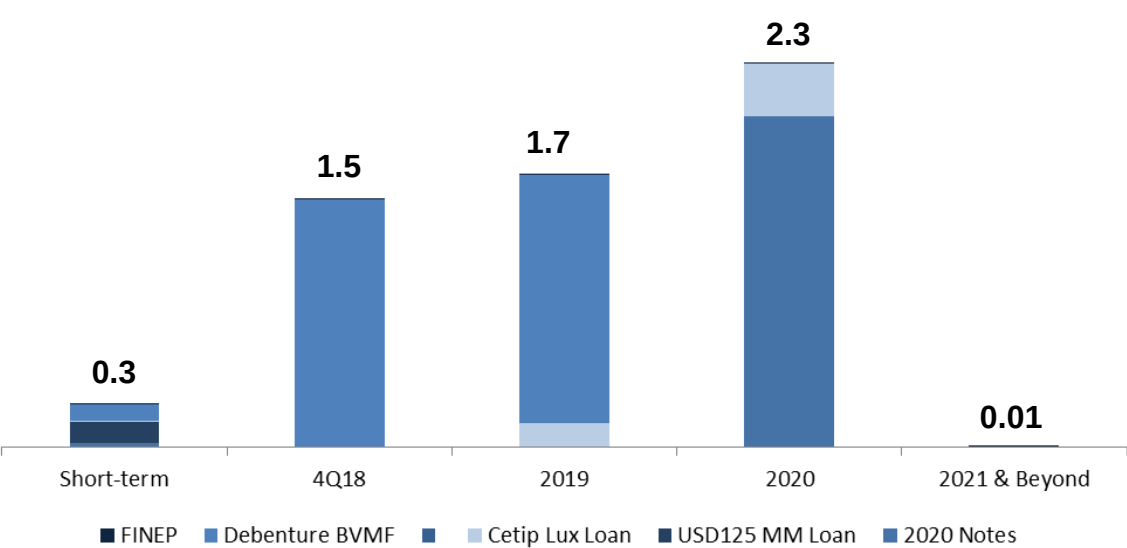
Not considered as B3's cash

The Company earns interest on most of this cash balance

Financial highlights (cont.)

Temporally higher financial leverage

DEBT AMORTIZATION SCHEDULE (in R\$ billions)



Rollover of Cetip Lux loan:

US\$100m with final maturity in Aug'20 (before 50% in Aug'17 and 50% in Aug'19)

Maturity of R\$500 million debentures in Sep'17

FINANCIAL LEVERAGE (in R\$ millions)

(in R\$ millions)	3Q17
Gross Debt	5,739.6
Adj. EBITDA (LTM)	2,601.9
Financial leverage	2.2x

The Company expects to be able to reduce financial leverage to 1x Gross Debt / EBITDA by the end of 4Q19

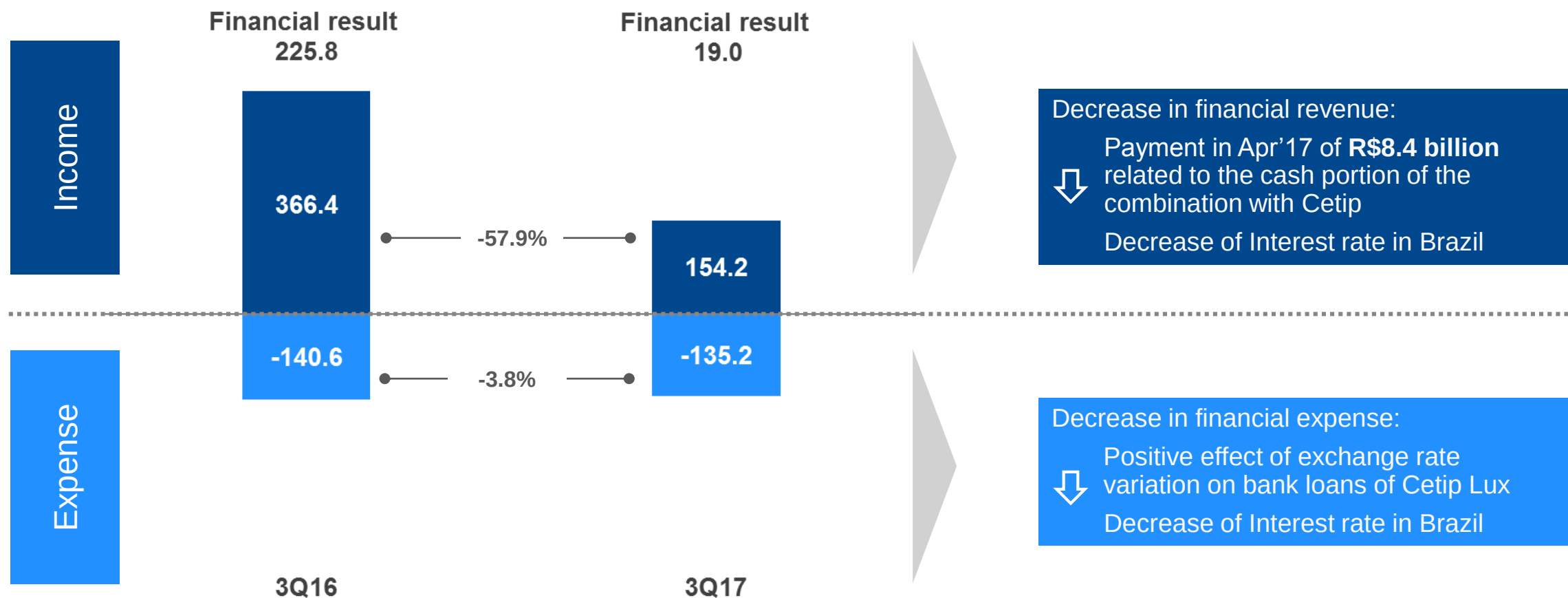
Financial highlights (cont.)

Decrease in the financial result due to a lower cash position

[B]³

FINANCIAL RESULT¹ (in R\$ millions)

(Combined information; B3)



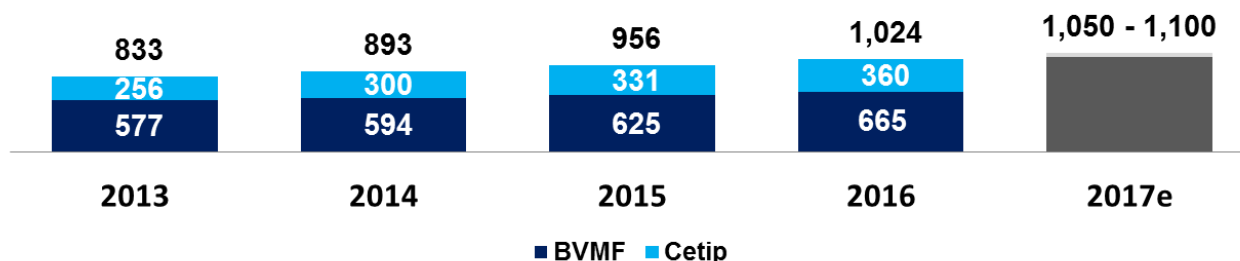
Guidances for B3

2017 Capex and D&A revised; Adjusted Opex maintained

[B]³

Adjusted OPEX¹ (in R\$ millions) – 2017 guidance Maintained

(Combined information; B3)



2017 guidance: range of **R\$1,050 million and R\$1,100 million**

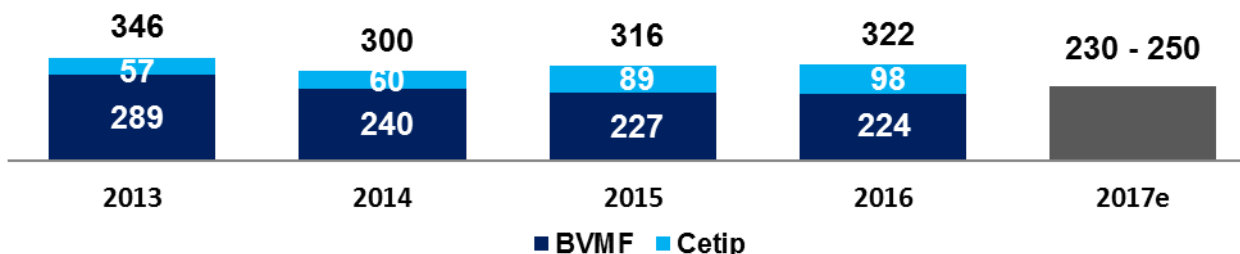
- YoY growth²: **4.9%**
- CAGR 2013 – 2017e²: **6.6%**

Depreciation and Amortization – 2017 guidance Revised

Depreciation and amortization guidance should range between **R\$710 million and R\$750 million** (previously, between R\$790 million and R\$840 million), including depreciation and amortization of intangibles

CAPEX³ (in R\$ millions) – 2017 guidance Revised

(Combined information; B3)



2017 guidance: range of **R\$230 million and R\$250 million** (previously, between R\$250 million and R\$280 million)

- Phase 2 (equity) of new Integrated Clearinghouse
- Update of PUMA Trading System infrastructure

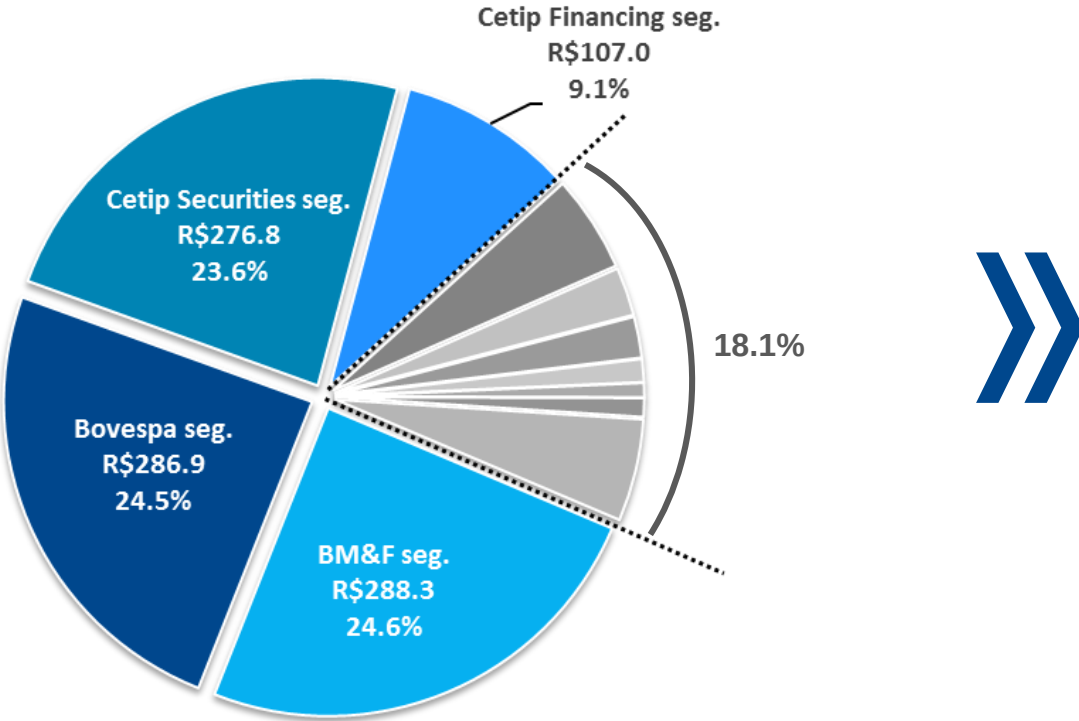
Appendix

Other revenues

Solid Performance of market data and *Tesouro Direto* platforms

3Q17 REVENUE BREAKDOWN¹ (in R\$ millions / % of the total)

(Combined information; B3)



Other lines of business	3Q17	YoY
Depository	59.6	25.7%
Securities lending	25.3	-16.3%
Market data (vendors)	29.8	21.0%
Listing	14.1	7.5%
Bank - financial intermediation and bank fees	8.8	-11.1%
Market participant access	11.5	32.7%
Other	62.7	1128.3%
Total	211.8	52.4%

¹ Revenue as reported in the financial statements note 20 of the Financial Statements.

Combination-related Opex and Capex

Budget of business combination-related expenses and investments

[B]³

Estimates on expenses and other impacts arising from the completion of the business combination with Cetip¹ (R\$ millions)

	2016	1Q17	2Q17	3Q17	2017e	2018e	Total
Contractual commitments and other accounting impact	-	233.9	-	-	233.9	-	233.9
Cetip's LT compensation and retention programs (cancellation of stock options and payroll taxes)	-	133.1	-	-	133.1	-	133.1
Impairment / write-offs / provision for contractual fines	-	100.8	-	-	100.8	-	100.8
Retention / severance programs approved in the AGM of 04/28/17²	-	-	70.8	7.4	~85.0	~25.0	100.0 – 110.0
Advisors, consultants, branding	70.3	63.5	24.1	0.2	~90.0	~10.0	165.0 – 170.0
Total	70.3	297.5	94.9	7.7	~420.0	~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	1Q17	2Q17	3Q17	2017e	2018e	Total
Severance and services providers' expenses	8.5	36.3	50.5	27.0	~160.0	~20.0	175.0 – 190.0
Capex (projects and integration)	-	0.3	1.6	2.7	~10.0	~15.0	20.0 – 30.0

Expense synergies will be gradually captured throughout a three-year period and are estimated to reach R\$100 million/year on a recurring basis at the end of this period

Financial statements

Summary of income statement (consolidated)



SUMMARY OF INCOME STATEMENT *(in R\$ millions)*

	3Q17	3Q16	3Q17/3Q16 (%)	2Q17	3Q17/2Q17 (%)
Net revenues	1,060.8	881.7	20.3%	970.9	9.3%
Expenses	(593.4)	(568.2)	4.4%	(671.7)	-11.7%
Operating income	467.4	313.4	49.1%	299.2	56.2%
<i>Operating margin</i>	<i>44.1%</i>	<i>35.5%</i>	<i>851 bps</i>	<i>30.8%</i>	<i>1,325 bps</i>
Financial result	19.0	225.8	-91.6%	(58.4)	-132.5%
Adjusted expenses	(252.1)	(246.6)	2.2%	(250.0)	0.8%
Adj. EBITDA	667.8	603.7	10.6%	675.5	-1.1%
<i>Adj. EBITDA margin</i>	<i>66.6%</i>	<i>68.5%</i>	<i>-189 bps</i>	<i>69.6%</i>	<i>-299 bps</i>
Recurring net income	445.3	608.3	-26.8%	475.7	-6.4%

Recurring net income

Reconciliation of net income – excluding non-recurring items

[B]³

(R\$ millions)	Line impacted in the income statement	3Q17	3Q16	3Q17/3Q16 (%)	2Q17	3Q17/2Q17 (%)
Net income (attributable to shareholders)		336.3	440.0	-23.6%	163.3	105.9%
(+) Expenses related to the combination with Cetip	Expenses	22.9	4,7	384.6%	95.9	-76.1%
(+) Non-recurring provisions ¹	Revenue (3T17) Expenses (3T16)	(38.1)	155.0	-124.6%	-	-
(+) Amortization of intangibles from the combination with Cetip	Expenses	124.2	-	-	128.6	-3.4%
(+) Amortization of intangibles from the combination with GRV	Expenses	-	8.6	-	-	-
(+) Taxes Refinancing (REFIS/PERT)	Expenses	-	-	-	87.8	-
Recurring net income		445.3	608.3	-26.8%	475.7	-6.4%
(+) Deferred tax (goodwill related to Bovespa Holding)	Income Tax	133.1	135.3	-1.7%	133.1	0.0%
(+) Deferred tax (goodwill related to Cetip)	Income Tax	119.6	-	-	-	-
Recurring net income adjusted by goodwill tax benefit		698.0	743.6	-6.1%	608.7	14.7%

Financial statements

Adjusted EBITDA and adjusted expenses reconciliations

[B]³

ADJUSTED EXPENSES RECONCILIATION¹ (in R\$ millions)

	3Q17	3Q16	3Q17/3Q16 (%)	2Q17	3Q17/2Q17 (%)
Total expenses	593.4	568.2	4.4%	671.7	-11.7%
Depreciation	(223.5)	(51.8)	331.6%	(231.0)	-3.2%
Long-term stock-based compensation	(30.1)	(27.4)	9.6%	(24.5)	22.8%
Related to the combination with Cetip	(34.7)	(7.2)	384.6%	(145.3)	-76.1%
Provisions (recurring and non-recurring)	(53.0)	(235.3)	-77.5%	(20.9)	153.4%
Adjusted expenses	252.1	246.6	2.2%	250.0	0.8%

EBITDA RECONCILIATION² (in R\$ millions)

	3Q17	3Q16	3Q17/3Q16 (%)	2Q17	3Q17/2Q17 (%)
EBITDA	690.9	365.2	89.2%	530.2	30.3%
Expenses related to the combination with Cetip	34.7	7.2	384.6%	145.3	-76.1%
Non-recurring provisions	(57.8)	231.3	-125.0%	0.0	-
Adjusted EBITDA	667.8	603.7	10.6%	675.5	-1.1%
<i>Adjusted margin EBITDA</i>	<i>66.6%</i>	<i>68.5%</i>	<i>-189 bps</i>	<i>69.6%</i>	<i>-299 bps</i>

Financial statements

Summary of balance sheet (consolidated)



ASSETS

LIABILITIES AND SHAREHOLDERS' EQUITY

ASSETS (In R\$ thousands)	Sep 30, 2017	Dec 31, 2016	LIABILITIES AND EQUITY (In R\$ thousands)	Sep 30, 2017	Dec 31, 2016
Current assets	5,361,602	11,612,517	Current liabilities	3,339,871	3,657,832
Cash and cash equivalents	319,890	319,124	Collateral for transactions	1,822,279	1,653,835
Financial investments	4,201,337	10,964,214	Financial instruments for hedge	78,950	405,971
Others	840,375	329,179	Loan	139,038	373,919
Noncurrent assets	31,749,715	19,543,358	Debentures	95,364	17,495
Long-term receivables	3,036,047	3,749,282	Others	1,204,240	1,206,612
Financial investments	2,675,568	3,564,243	Noncurrent liabilities	9,302,683	8,421,658
Others	360,479	185,039	Debt issued abroad	1,923,648	1,987,669
Investments	45,188	29,117	Loan	488,929	33,949
Property and equipment, net	574,535	462,753	Debenture	2,993,913	2,991,806
Intangible assets	28,093,945	15,302,206	Deferred inc. tax and social contrib.	3,176,493	2,976,125
Goodwill	22,338,876	14,401,628	Others	719,700	432,109
Software and projects	5,548,396	900,578	Equity	24,468,763	19,076,385
Others	206,673	-	Capital	3,198,655	2,540,239
			Capital reserve	18,386,716	14,327,523
			Others	2,873,109	2,198,708
			Non-controlling interests	10,283	9,915
Total Assets	37,111,317	31,155,875	Total liabilities and equity	37,111,317	31,155,875



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+55 11 2565-4729 / 4418 / 4207 / 5739 / 5730

ri@b3.com.br