QUARTERLY FINANCIAL STATEMENTS

1Q20

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Dear Shareholders,

B3 S.A. – Brasil, Bolsa, Balcão ("B3" or "Company") hereby submits for your appreciation the Management's Discussion & Analysis regarding the activities performed in the first quarter of 2020 (1Q20).

MESSAGE FROM MANAGEMENT

Gilson Finkelsztain, Chief Executive Officer of B3:

The outbreak of the COVID-19 pandemic has brought along unprecedent challenges for businesses and for the Brazilian society overall. Never in the history of B3 had we faced a crisis with such profound humanitarian and operational impacts. Our priorities in this period have been to preserve (i) the health and safety of our employees and (ii) the operational resilience of our platforms, ensuring investors have uninterrupted access to the several markets managed and services offered by B3, and that our clearing and settlement procedures work properly.

The uncertainties brought about by the spread of COVID-19 during the first quarter of 2020 caused intense volatility in the global financial and capital markets. In this turmoil, as the volumes traded on our listed and over-the-counter platforms increased significantly, the robustness of our technological platforms and the soundness of our risk management models as a central counterparty were put to the test, under extremely adverse conditions. B3 was able to manage through this stress and play our role as market infrastructure, ensuring that our clients' trades were executed in a safe environment.

The stability and reliability of our operations results from our continuous crisis response planning. We coordinated our actions on several fronts with regulators and clients in order to ensure the least possible impact. We also took precautions to ensure the well-being of our employees as we kept all our markets operating. The remote work practices which we had begun to implement at B3 gradually about 18 months ago have been adopted on a larger scale, and we currently have about 90% of our 2,200 employees working remotely. For those employees whose presence at our headquarters is indispensable, we have adopted additional precautions, such as social distancing within the offices and team rotation.

B3 team's unshakable commitment has enabled us to keep moving forward with the Company's key projects outlined in our 2020 product roadmap.

Seeking to cooperate with the humanitarian efforts taking place across Brazil, B3, through B3 Social, has made donations to a crowdfunding campaign with a matching commitment in which we donated 5 baskets for every 1 basket donated by employees and other participants, raising more than 30,000 food baskets for low-income communities. We have also donated funds to nine public hospitals in São Paulo, for hiring medical teams, purchasing personal protection and ICU equipment, and to the Communitas NGO, which supports students in São Paulo's public-school system.

With regard to investors and listed companies, B3 (i) moved forward the launch of our financial education campaign aiming to increase the availability of quality information, (ii) extended the terms for listed companies to file required documents and fulfill certain other regulatory obligations, and (iii) stimulated the use of electronic tools available to investors.

We understand the severity of the crisis and how difficult it is to make any predictions given the uncertain scenario created by the pandemic, and therefore we are working closely with our clients and aligned with regulators to ensure that, through this period and beyond, the financial and capital markets have the adequate infrastructure to continue to develop, playing their key part in the recovery of the Brazilian economy.

Daniel Sonder, Chief Financial and Investor Relations Officer:

The high volumes traded in our platforms stemming from the intense volatility in the quarter translated into sound financial performance and strong cash flow generation, with net revenues of R$1.9 billion and recurring net profit of R$1.2 billion, reflecting our operating leverage. We have maintained expense management discipline and a solid cash position that allows us to navigate this turbulent period smoothly and to continue to invest in the Company's priority projects as scheduled.

OPERATIONAL PERFORMANCE

All comparisons in this document are in relation to the first quarter of 2019 (1Q19), unless otherwise stated.

Listed

The performance of the listed segment in 1Q20 was driven by the volatility in the financial and capital markets arising from the effects of the COVID-19 pandemic, which impacted volumes of both equities and listed derivatives.

Equities

		1Q20	1Q19	1Q20/1Q19 (%)	4Q19	1Q20/4Q19 (%)
Cash Market	ADTV (R$ million)	27,863.8	16,182.8	*72.2%*	18,874.2	*47.6%*
	Margin (bps)	*4.119*	*4.412*	*-0.293 bps*	*4.224*	*-0.105 bps*
Average Market capitalization	*(R$ billion)*	4,333.7	3,856.6	*12.4%*	4,390.4	*-1.3%*
Turnover velocity	*Annualized (%)*	*158.8%*	*104.1%*	*5,475 bps*	*106.6%*	*5,220 bps*
Options market (stocks/Indices)	ADTV (R$ million)	789.2	365.2	*116.1%*	400.7	*97.0%*
	Margin (bps)	9.046	14.808	-5.762 bps	13.731	-4.685 bps
Forward market	ADTV (R$ million)	267.1	156.5	*70.7%*	216.2	*23.6%*
	Margin (bps)	13.000	13.000	0.000 bps	12.777	0.223 bps
Future stock indices	ADV (thousands of contracts)	2,175.8	1,277.4	*70.3%*	1,602.4	*35.8%*
	Average RPC (R$)	*1.120*	*0.855*	*31.0%*	*1.052*	*6.6%*
Investors number	Average (thousand)	2,032.8	943.3	*115.5%*	1,614.3	25.9%
Securities lending	Average open positions (R$ billion)	69.8	55.8	*25.0%*	64.7	*7.8%*

Note: ADTV stands for Average Daily Traded Value; ADV stands for Average Daily Volume; RPC stands for Revenue per Contract; and bps stands for basis point.

In the listed segment, there was a 72.2% growth in the average daily traded volume (ADTV) on the cash equities market and a 70.3% increase in the volumes of stock indices futures contracts. In the cash equities market, this increase reflects both a 12.4% growth in the average market capitalization[1] as well as a higher turnover velocity[2], which reached 158.8% in the quarter. For future contracts market, the performance can be attributed to the growth in trading of mini contracts, particularly by individual investors and by High Frequency Traders (HFT).

The trading/post-trading margin in cash equities was 4.119 bps. The 0.293 bps decrease is mostly explained by (i) the discounts given to the market in accordance with B3's pricing policy[3] in 1Q20 and (ii) the greater participation of local institutional investors and day traders, who pay lower fees. The average RPC of the stock indices futures contracts increased by 31.0%, mainly because of the new form B3 started to charge for the mini version of these contracts from Mar'19 onward.

The 115.5% growth in the number of active investors in the equities depository also provides evidence of the growing interest in diversifying investments in a lower interest rate environment, despite the volatile scenario. By means of its incentive programs, B3 continues to support brokerage firms that focus on attracting new clients to the equities market.

FICC[1]

		1Q20	1Q19	1Q20/1Q19 (%)	4Q19	1Q20/4Q19 (%)
Interest rates in BRL	ADV (thousands of contracts)	3,887.7	1,989.7	*95.4%*	3,495.8	*11.2%*
	Average RPC (R$)	0.813	1.038	*-21.6%*	0.843	*-3.5%*
Interest rates in USD	ADV (thousands of contracts)	266.2	379.1	*-29.8%*	249.3	*6.7%*
	Average RPC (R$)	2.140	1.623	*31.9%*	1.791	*19.5%*
FX rates	ADV (thousands of contracts)	791.8	765.9	*3.4%*	761.7	*4.0%*
	Average RPC (R$)	4.308	3.488	*23.5%*	4.179	*3.1%*
Commodities	ADV (thousands of contracts)	12.6	6.7	*87.4%*	13.1	*-3.8%*
	Average RPC (R$)	2.010	2.076	*-3.2%*	2.538	*-20.8%*
Total	ADV (thousands of contracts)	4,958.3	3,141.5	*57.8%*	4,520.0	*9.7%*
	Average RPC (R$)	1.446	1.708	*-15.4%*	1.462	*-1.1%*

[1] Market capitalization is obtained by multiplying the number of shares issued by the listed companies by their respective market prices.
[2] Turnover velocity is obtained by dividing the trading volume on the spot market during the period, by the average market capitalization in the year.
[3] According to the table of fees in force in 1H2020, marginal discounts are granted to the entire market whenever the month's daily average trading exceeds the levels of R$ 9 billion, R$ 11 billion and R$ 13 billion.

The average daily volume traded totaled 5.0 million contracts, 57.8% higher yoy, as a result of the increase in the volume traded of most contracts. The top performing contract was Interest rates in BRL, and its volume was driven by uncertainties about future decisions regarding Brazil's monetary policy. The average RPC dropped 15.4%, primarily due to the volume growth of shorter-term Interest rate in BRL contracts, which have a lower RPC. This decrease was partially offset by (i) the 13.6% appreciation of the USD against the BRL in the period, which has a positive impact on the RPC of FX Rate, Interest Rate in USD and Commodities contracts and (ii) B3's new way of charging for the mini versions of USD future contracts since Mar'19.

OTC

Fixed income instruments

		1Q20	1Q19	1Q20/1Q19 (%)	4Q19	1Q20/4Q19 (%)
New issues	Bank funding (total in R$ billion)	2,583.7	2,121.0	*21.8%*	2,505.4	*3.1%*
Stock	Bank funding (average in R$ billion)	1,359.2	1,148.3	*18.4%*	1,292.5	*5.2%*
	Corporate debt (average in R$ billion)	676.7	590.6	*14.6%*	663.1	*2.0%*
Treasury Direct	Number of investors (average in thousand)	1,212.8	897.1	*35.2%*	1,181.8	*2.6%*
	Stock (average in R$ billion)	64.8	59.9	8.1%	67.2	*-3.7%*

During the quarter, the volume of new issues and the outstanding balance of bank funding instruments increased by 21.8% and 18.4%, respectively, mainly due to the growth in issues of Bank Deposit Certificates and Interbank Deposit Certificates, which accounted for 61.4% and 31.4% of new issues, respectively. This increase took place in a context where financial institutions sought funds to build greater liquidity in their balance sheets. Additionally, the average outstanding balance of corporate debt increased 14.6% due to the increase in capital markets issuances of corporate debt, mostly related to transactions closed by February and companies issuing shorter-term (mostly bilateral) instruments in March to raise capital and strengthen their cash positions in March. Debentures issued by leasing companies represented 29.9% of the average corporate debt outstanding balance in 1Q20 (vs. 38.0% for 1Q19).

Treasury Direct also delivered a positive performance, with a 35.2% increase in the number of investors and the outstanding balance increasing by 8.1%. B3 offers an incentive program for brokerage firms to increase their number of investors and outstanding balance of this product. This incentive program is reviewed on a yearly basis, and the targets set for the year were adjusted considering the results obtained in 2019. The incentive program is yet another example of the way in which the Company supports its clients in developing the Brazilian market.

Derivatives

		1Q20	1Q19	1Q20/1Q19 (%)	4Q19	1Q20/4Q19 (%)
New issues	(total in R$ billion)	3,991.0	2,294.9	*73.9%*	3,081.9	*29.5%*
Stock	(average in R$ billion)	3,432.7	2,380.7	*44.2%*	2,828.0	*21.4%*

The registration of new issues of OTC derivatives and structured notes showed a growth of 73.9%, mostly in FX swaps and forward contracts, with the higher demand for these instruments reflecting the exchange rate volatility seen in the quarter. The average outstanding balance increased by 44.2%.

Infrastructure for Financing

		1Q20	1Q19	1Q20/1Q19 (%)	4Q19	1Q20/4Q19 (%)
SNG	Number of vehicles sold (thousand)	3,962.8	4,214.9	*-6.0%*	4,926.4	*-19.6%*
	Number of vehicles financed (thousand)	1,423.9	1,406.3	*1.2%*	1,656.5	*-14.0%*
	% Vehicles financed / vehicles sold	*35.9%*	*33.4%*	*257 bps*	*33.6%*	*231 bps*
Contracts Systems	Transactions (thousand)	845.7	767.3	*10.2%*	1,006.1	*-16.0%*
	% Transactions / vehicles financed	*59.4%*	*54.6%*	*483 bps*	*60.7%*	*-135 bps*

In comparison with 1Q19, the number of additions in the National Liens System (SNG) was favorably impacted by the higher credit penetration and increased by 1.2%. On the other hand, in comparison with 4Q19, the number of registrations decreased by 14.0%, impacted by the weakening economic activity as a result of the COVID-19 pandemic.

In the Contracts System, the number of transactions in 1Q20 was 10.2% higher than in 1Q19, reflecting the growth in the number of vehicles financed, combined with an increase in B3's market share, which totaled 59.4% in the quarter. This increase in market share is mainly due to the resumption of the service in the states of Minas Gerais and Piauí over the course of the year and the start of the service in the state of Goiás in Jun'19. Comparing with 4Q19, there was a 16.0% decrease in number of transactions, in line with the movement seen in the SNG.

Technology, data and services

		1Q20	1Q19	1Q20/1Q19 (%)	4Q19	1Q20/4Q19 (%)
Monthly Utilization	Average number of clients	13,844	12,967	*6.8%*	13,722	*0.9%*
CIP	Processed electronic cash transfers (thousand)	260,184	175,095	*48.6%*	244,978	*6.2%*

The average number of clients that pay the monthly utilization fees related to services in the OTC segment was up by 6.8% and the number of electronic cash transfers (EFT) processed during the quarter was 48.6% higher.

INCOME STATEMENT

Revenue

Total revenues: R$2,125.2 million, up by 38.7%, mainly from the growth in the revenues of the Listed and Technology, data and services segments.

Listed: R$1,505.8 million (70.9% of the total), an increase of 57.7%.

- **Equities and equity instruments:** R$1,053.5 million (49.6% of the total), a 67.3% increase in the period.

  Trading and Post-Trading: R$924.7 million (43.5% of the total), a 71.7% increase, reflecting the growth in the volumes traded in cash equities and stock indices futures contracts, which, in turn, were impacted by the volatility in the financial and capital markets arising from the effects of the COVID-19 pandemic, as previously mentioned, and a higher average RPC of the stock indices futures contracts.

  Depository: R$48.4 million (2.3% of the total), up by 31.4% in the period. The 115.5% increase in the average number of accounts in the depository was partially offset by the result of the incentive program to expand the individual investor base in the equities market, which totaled R$28.7 million in 1Q20[4] (vs. R$ 6.7 million for 1Q19).

  Stock lending: R$47.5 million (2.2% of the total), a 38.7% increase, as a result of the 25.0% increase in the average financial volume of outstanding positions.

  Listing and solutions for issuers: R$32.9 million (1.5% of the total), up by 62.8%, mainly as a result of the greater number of public offerings (4 IPOs and 5 follow-ons) that totaled R$31.0 billion in 1Q20 against R$5.1 billion (3 follow-ons) in 1Q19.

- **FICC:** R$452.3 million (21.3% of the total), up by 39.1%, as a result of a 95.4% increase in the average daily volume traded of Interest rate in BRL contracts and the appreciation of the US Dollar, which had a positive impact on the RPC of FX rate, Interest rate in USD and Commodities contracts.

OTC: R$245.5 million (11.6% of the total), up 2.0%.

- Fixed income instruments: R$145.2 million (6.8% of the total), down 7.4%, due to the change in pricing announced early in the year. In the new pricing, the Company reduced prices for services related to traded volumes of bank funding instruments, thereby sharing part of its operating leverage with the market. Part of those prices was incorporated into the monthly utilization service package, favorably affecting the Technology and Access revenue line. The increased revenues from Treasury Direct, totaling R$40.1 million in 1Q20 against R$36.3 million (gross revenue) in 1Q19, was favorably impacted by the increase in outstanding positions. The incentive program, which was introduced at the start of last year[5] and renewed in 2020, now valid for a year, played an important role in the 8.1% increase in outstanding positions. In 1Q20, these incentives amounted to R$15.5 million against to R$15.7 million in 1Q19 (notably, these incentives for Tesouro Direto which used to be classified as discount on revenues, started to be classified in 1Q20 as revenue-linked expenses).

[5]The program offers revenue rebates for brokers that achieve performance targets related to growth in the number of investors numbers and in the Treasury Direct balance. The results of the incentive programs to expand Treasury Direct are measured and distributed on a half-yearly basis.

- Derivatives: R$62.9 million (3.0% of the total), an increase of 42.1%, especially due to the increase in number of swap contracts as a result of the high FX rate volatility in the period and the appreciation of the US Dollar against the real, as many of the OTC derivatives contracts are US Dollar-linked.
- Other: R$37.4 million (1.8% of the total), down 5.8% as a result of the new pricing schedule, as mentioned above, in which part of the revenue related to the volume of services provided and the maintenance of end users was transferred to the monthly utilization service, with a positive impact on Technology and Access revenue line.

Infrastructure for financing: R$104.3 million (4.9% of the total), down 31.5%. This drop can be attributed to the effects of the change in the business model for sending data related to vehicle financing contracts in certain states, which took place in 3Q19.[6] By this new model there is no revenue-linked expense related to payments to registration companies, while there is a decrease in revenues related to this service. These effects were partially offset by additional revenue from the services provided by Portal de Documentos, which was acquired in Jun'19.

Technology, data and services: R$269.6 million (12.7% of the total), an increase of 46.6%.

- **Technology and access:** R$178.2 million (8.4% of the total), up 65.0%, especially due to growth in monthly utilization fees, which was driven by (i) a 6.8% increase in the number of customers accessing the OTC segment platforms, (ii) changes in the pricing schedule, which impacted the monthly utilization service package and fees, as previously explained, and (iii) the annual price adjustment for inflation (IGP-M), as well as the 48.6% increase in the number of electronic cash transfers (EFT) processed during the year.
- **Data and analytics:** R$47.3 million (2.2% of the total), an increase of 10.3%, which is mainly explained by the appreciation of the US Dollar against the *Real*, given that 48.3% of this revenue was linked to the US Dollar in 1Q20.
- **B3 Bank:** totaled R$ 11.9 million (0.6% of the total), down 1.3%, as a result of the fall in the number of transactions carried out by foreign clients who use B3 Bank's custody services.

Net revenues: an increase of 38.2%, totaling R$ 1,905.2 million.

Expenses

Expenses totaled R$ 597.8 million, down 10.1%.

- **Personnel and charges:** R$211.1 million, an increase of 4.5%, especially due to (i) the annual salary adjustment by inflation, (ii) the addition of personnel expenses from B3's subsidiaries acquired after 1Q19 (BLK and Portal de Documentos) and (iii) new hires for key positions.
- **Data processing:** R$ 61.0 million, an increase of 57.6%, due to (i) new projects and the intensification of existing ones for improvement in infrastructure, processes, functionalities and controls of the business and corporate platforms, in line with the 2020 roadmap, and (iii) the addition of technology expenses from BLK and Portal de Documentos.
- **Depreciation and amortization:** R$261.9 million, in line with 1Q19.
- **Revenue-linked expense:** R$41.1 million, a drop of 45.2% explained by the change in the business model in relation to the provision of data in connection with vehicle financing, which was implemented in a number of states in 3Q19, as previously mentioned. This was partially offset by the addition to this line of incentives the from the program to increase the number of investors in Treasury Direct.
- **Third-party services:** totaled R$15.8 million, a decrease of 15.2%, due to the reduction in expenses with legal and strategic advisory fees.
- **Other:** this expense line had positive impact on net income of R$9.1 million in this quarter. The most significant item in this group of expenses are provisions, which for the most part consist of updates related to legal disputes for which part of the amount under discussion is indexed to the share price of B3SA3.7 In 1Q20, this difference had a positive impact (expense reduction) of R$36.7 million due to the devaluation of the B3SA3 share in the quarter (compared to a negative effect of R$27.5 million in 1Q19).

[6] In certain states, B3 adopted a new model whereby DETRAN-accredited registration companies can access, as previously authorized by the lending institutions, the B3 platform to query financed vehicle contract data. The most relevant financial impact is that in this model there is no expense related to revenues in connection with payments to registration companies. Such change, while reducing B3's expenses, adversely impacts its revenues, because in the previous model the cost of registration companies was part of the price charged by B3.

[7] The number of shares equivalent to the amounts under discussion is 5,186,739 B3SA3 shares. B3SA3's closing price was BRL 35.90 at the end of Mar/20, against BRL 42.97 at the end of Dec/19, a decrease of 16.5%.

Financial Result

The financial result was R$112.2 million negative in 1Q20. Financial revenues totaled R$117.9 million, an increase of 6.1%, which can be mainly attributed to the increase in the average cash position. For their part, financial expenses totaled R$ 72.9 million, a decrease of 14.9%, which is largely explained by the Company's lower average level of indebtedness during the year and the reduction in the cost of the CDI-linked debt. The US dollar-denominated bond due in Jul'20 is hedged and the FX change of this instrument did not impact financial result on the quarter.

(In thousand of Brazilian Reals, unless otherwise indicated)	1Q20	1Q19	1Q20/1Q19 (%)	4Q19	1Q20/4Q19 (%)
Financial result	**(112,223)**	**20,781**	-	**36,004**	-
Financial income	117,955	111,124	*6.1%*	134,297	*-12.2%*
Financial expenses	(72,878)	(85,687)	*-14.9%*	(116,506)	*-37.4%*
Net FX variation	(157,300)	(4,656)	*3278.4%*	18,213	*-963.7%*

Additionally, it is important to note that the financial result was also impacted by the effects of foreign exchange variation on part of B3's offshore debt exposure and on the Company's foreign investments, totaling R$183.2 million in the quarter. This was offset by the effects on income tax and social contribution (hedge structure). The table below segregates these effects both from the financial result and from income tax and social contribution.

Hedge Impact in the Results *(In thousand of R$, unless otherwise indicated)*	1Q20	1Q19	1Q20/1Q19 (%)	4Q19	1Q20/4Q19 (%)
Net Financial Income	(112,223)	20,781	-	36,004	-
(+/-) Effects of the hedge on net financial income	183,235	3,436	*5233.3%*	(20,975)	-
Adjusted net financial income (excluding the effects of the hedge)	**71,012**	**24,217**	***193.2%***	**15,029**	***372.5%***
Income before income tax	1,194,906	735,526	*62.5%*	958,558	*24.7%*
(+/-) Effects of the hedge on net financial income	183,235	3,436	*5233.3%*	(20,975)	-
Income before tax and social contribution (excluding hedge effect)	**1,378,141**	**738,962**	***86.5%***	**937,583**	***47.0%***
Income and social contribution taxes	(169,786)	(129,409)	*31.2%*	(225,627)	*-24.7%*
(+/-) Effects of the hedge on income and social contribution taxes	(183,235)	(3,436)	*5233.3%*	20,975	-
Adjusted income and social contribution taxes (excluding the effects of the hedge)	**(353,021)**	**(132,845)**	***165.7%***	**(204,652)**	***72.5%***

Income tax and social contribution

Income tax and social contribution totaled R$169.8 million in 1Q20 and was affected by the payment of interest on capital (IoC) in the amount of R$293.0 million. Current tax totaled R$107.6 million and includes R$4.1 million with cash impact. Deferred income tax and social contribution totaled R$62.2 million, without any cash impact, and mainly consists of the temporary difference in the amortization of goodwill for tax purposes of R$119.6 million in 1Q20 and the creation of deferred tax in the amount of R$57.5 million, which was mainly related to the reversal of tax credits. Additionally, the income tax and social contribution account was also impacted by the hedge structure, as mentioned above.

Net Income

Net income attributable to B3's shareholders totaled R$1,025.6 million, an increase of 69.2%, mainly reflecting the operating performance, as previously explained.

Adjustments to net income (in R$ thousand)

	1Q20	1Q19	1Q20/1Q19 (%)	4Q19	1Q20/4Q19 (%)
Net income (attributable to shareholders)	**1,025,552**	**606,198**	69.2%	**733,369**	39.8%
(+) Amortization of intangibles from combination with Cetip	131,078	130,307	0.6%	130,930	0.1%
Recurring net income	**1,156,630**	**736,505**	**57.0%**	**864,299**	**33.8%**
(+) Deferred Tax (goodwill from Cetip combination)	119,629	119,629	-	119,629	-
Recurring net income adjusted by goodwill tax benefit	**1,276,259**	**856,134**	**49.1%**	**983,928**	**29.7%**

Note: amounts net of taxes, calculated at a rate of 34% applied to the deductible portion.

Excluding the amortization of intangibles from combination with Cetip, net income would have totaled R$1,156.6 million[8] in the quarter, an increase of 57.0%. Moreover, if adjusted for the tax benefit resulting from the amortization of goodwill in connection with the Cetip combination, net income would have totaled R$1,276.3 million.

[8] B3's objective in presenting recurring net income is to facilitate comparison between periods and, consequently, the assessment of the Company's performance, highlighting non-recurring items which are not necessarily directly related to the normal course of its business.

MAIN ITEMS OF THE CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2020

Assets, Liabilities and Shareholders' Equity Accounts

The Company ended the quarter with total assets of R$41.1 billion, an increase of 2.8% against Dec'19. The main changes in assets occurred in the items Cash and Cash Equivalents (current and non-current), which together totaled R$11.9 billion, reflecting (i) the Company's cash generation during the quarter and (ii) the increased volume of collateral deposited in cash (with an equivalent amount booked in current liabilities). This cash position includes R$1.0 billion in distributions paid out in April and May 2020, which include dividends for the fiscal year 2019 and interest on capital for 2020. Additionally, there was a significant change in the derivative financial instruments account, especially because of the Company's hedge programs, which are based on instruments to protect against the risk of variations in exchange rates and B3SA3 share prices.

With respect to liabilities, at the end of 1Q20, B3 showed gross debt of R$4.2 billion (43.4% long term and 56.6% short term), which corresponds to 0.9x the recurring EBITDA for the last 12 months. Shareholders' equity at the end of Mar/20 was R$24.9 billion, consisting mainly of the capital reserve of R$9.1 billion (against R$18.2 billion for Dec/19) and the share capital of R$12.5 billion (against R$3.1 billion for Dec/19). The changes in shareholders' equity are explained by the capital increase through capitalization of capital reserves, which took place in Mar'20.

OTHER FINANCIAL INFORMATION

CAPEX

In 1Q20, CAPEX amounted to R$50.9 million, mainly related to technological upgrades for all the segments in which B3 operates, as well as new product development and the retrofit project of the Company's new headquarters (engineering, furniture and technology).

Guidances for adjusted expenses,[9] depreciation and amortization, and investments[10] for 2020:

The Company revised its guidance for revenue-linked expenses for 2020, as consequence of the reclassification of the incentives related to the Treasury Direct expansion program (previously considered as revenue reducer of this segment line). All the other guidances were reaffirmed.

(i) **REVISED:** Revenue-linked expense budget from R$145 million to R$165 million (previously from R$105 million to R$125 million) (R$239 million in 2019);
(ii) **REAFFIRMED:** Adjusted operating expense budget from R$1,125 million to R$1,175 million (R$1,074 million in 2019);
(iii) **REAFFIRMED:** Depreciation and amortization budget, including amortization of intangible assets and surplus value, from R$1,030 million to R$1,080 million (R$1,030 million 2019);
(iv) **REAFFIRMED:** CAPEX budget from R$300 million to R$330 million (R$279 million in 2019);
(v) **REAFFIRMED:** Indebtedness (YE20) of up to 1.5x Gross Debt/recurring LTM EBITDA (1.0x in 2019); and
(vi) **REAFFIRMED:** Distribution of earnings to shareholders: 120% - 150% of corporate net income (130% in 2019).

Distributions to shareholders

On March 5, 2020, the Board of Directors approved the distribution of IoC for 1Q20 and special dividends for 2019 in the amount of R$293.0 million and R$650.0 million, respectively. The IoC amount was paid on April 7, 2020, whereas the special dividend amount was paid on May 7, 2020, both based on the shareholders register as of March 25, 2020.

EXTERNAL AUDIT

The Company has retained Ernst & Young Auditores Independentes to provide external audit services for its financial statements for the year 2020.

The company's policy, and that of its subsidiaries, in relation to contracting external audit services is based on internationally accepted principles, which preserve the independence of work of this nature and consist of the following practices: (i) the auditor is not allowed to perform executive or managerial functions for the Company, or for its subsidiaries; (ii) the auditor is not allowed to perform an operational role within the Company or its subsidiaries that may compromise the effectiveness of the audit work; and (iii) the auditor is required to remain impartial – avoiding the existence of any conflicts of interest or any loss of independence – and the objectiveness of his or her opinions and pronouncements regarding the financial statements. In 1Q20, the independent auditors and their related parties did not provide any services other than external audit services.

[9] Expenses adjusted by: (i) depreciation and amortization; (ii) long-term share-based incentive program—principal and charges; (iii) business combination with Cetip; (iv) provisions; and (v) revenue-linked expenses.
[10] Exclusive of investments in connection with the business combination with Cetip.

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A free translation from Portuguese into English of Independent Auditor's Report on quarterly information prepared 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) and in Reais (R$).

Independent auditor's report on quarterly information

The Board of Directors and Shareholders of
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, 2020, which comprises the balance sheets as at March 31, 2020 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 NBC TG 21 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.

Building a better working world

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 NBC TG 21 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

The above mentioned quarterly information include the individual and consolidated Statements of Value Added (SVA) for the three-month period ended March 31, 2020, prepared under the responsibility of Company management responsibility and presented as supplementary information by IAS 34. These statements have been to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. 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 individual and consolidated interim financial information.

São Paulo, May 14, 2020.

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 accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and in Reais (R$).

B3 S.A. - Brasil, Bolsa, Balcão

Balance sheet
March 31, 2020 and December 31, 2019
(In thousands of reais)

		B3		Consolidated	
Assets	**Notes**	**03/31/2020**	**12/31/2019**	**03/31/2020**	**12/31/2019**
Current assets		**10,775,383**	**9,532,465**	**11,866,462**	**10,454,127**
Cash and cash equivalents	4(a)	805,604	391,934	905,064	494,033
Financial investments	4(b)	8,074,652	7,884,389	9,027,303	8,631,578
Derivative financial instruments	4(c)	1,043,339	345,422	1,043,339	345,422
Accounts receivable	5	305,882	330,912	312,402	339,320
Taxes recoverable	16(d)	439,825	464,719	465,976	481,477
Prepaid expenses		88,592	96,075	89,821	96,575
Other receivables		17,489	19,014	22,557	65,722
Noncurrent assets available to sell		**14,878**	**14,878**	**14,878**	**14,878**
Noncurrent assets		**31,255,709**	**31,105,424**	**29,260,508**	**29,558,310**
Long-term receivables		**2,132,380**	**2,226,936**	**2,240,685**	**2,333,685**
Financial investments	4(b)	1,837,147	1,931,578	1,945,092	2,037,970
Judicial deposits	11(h)	277,416	274,633	277,776	274,990
Prepaid expenses		17,817	20,725	17,817	20,725
Investments		**2,278,400**	**1,830,502**	**46,582**	**47,223**
Interest held in subsidiaries and associate	6(a)	2,278,400	1,830,502	22,399	22,660
Investment properties	6(b)	-	-	24,183	24,563
Property and equipment	7	**682,176**	**679,880**	**692,322**	**689,853**
Intangible assets	8	**26,162,753**	**26,368,106**	**26,280,919**	**26,487,549**
Total assets		**42,045,970**	**40,652,767**	**41,141,848**	**40,027,315**

See accompanying notes.

B3 S.A. - Brasil, Bolsa, Balcão

Balance sheet
March 31, 2020 and December 31, 2019
(In thousands of reais)

		B3		Consolidated	
Liabilities and equity	**Notes**	**03/31/2020**	**12/31/2019**	**03/31/2020**	**12/31/2019**
Current liabilities		**9,072,518**	**7,680,989**	**9,987,972**	**8,055,193**
Collateral for transactions	14	3,157,315	3,013,447	3,157,315	3,013,447
Earnings and rights on securities in custody	21(c)	71,825	69,897	71,825	69,897
Suppliers		144,909	178,030	151,780	184,390
Salaries and social charges	21(a)	227,494	393,862	235,495	402,509
Taxes and contributions payable	21(b)	268,894	290,507	295,667	312,689
Loans and financing	9	3,612,003	2,806,345	3,771,567	2,537,993
Derivative financial instruments	4(c)	36,543	794	36,543	794
Dividends and interest on equity payable		1,253,924	676,224	1,253,924	676,224
Revenues to be allocated		82,407	52,703	82,407	52,703
Other liabilities	10	217,204	199,180	931,449	804,547
Noncurrent liabilities		**8,088,273**	**7,583,777**	**6,255,806**	**6,570,889**
Loans and financing	9	3,326,094	2,851,252	1,483,774	1,826,554
Deferred income tax and social contribution	16(a)	3,826,504	3,781,389	3,831,568	3,788,388
Provisions for tax, civil, labor and other contingencies	11(e)	845,166	866,299	849,101	870,210
Derivative financial instruments	4(c)	532	-	532	-
Revenues to be allocated		58,917	57,736	58,917	57,736
Other liabilities	10	31,060	27,101	31,914	28,001
Equity	12	**24,885,179**	**25,388,001**	**24,898,070**	**25,401,233**
Capital and reserves attributable shareholders of B3					
Capital		12,548,655	3,548,655	12,548,655	3,548,655
Capital reserve		9,062,308	18,104,738	9,062,308	18,104,738
Revaluation reserves		17,699	17,845	17,699	17,845
Income reserves		2,876,239	2,876,239	2,876,239	2,876,239
Treasury shares		(369,685)	(196,619)	(369,685)	(196,619)
Other comprehensive income		17,067	42,896	17,067	42,896
Proposed additional dividend		-	994,247	-	994,247
Accumulated profits		732,896	-	732,896	-
		24,885,179	25,388,001	24,885,179	25,388,001
Non-controlling interests		-	-	**12,891**	**13,232**
Total liabilities and equity		**42,045,970**	**40,652,767**	**41,141,848**	**40,027,315**

See accompanying notes.

B3 S.A. - Brasil, Bolsa, Balcão

Statement of income
Quarters ended March 31, 2020 and 2019
(In thousands of reais, unless otherwise stated)

		B3		Consolidated	
	Notes	1Q 2020	1Q 2019	1Q 2020	1Q 2019
Revenues	17	**1,871,176**	**1,354,026**	**1,905,201**	**1,378,242**
Expenses and revenues		**(571,144)**	**(656,709)**	**(597,810)**	**(664,992)**
General and administrative					
Personnel and charges		(195,957)	(197,617)	(211,089)	(202,078)
Data processing		(58,157)	(37,998)	(60,929)	(38,658)
Depreciation and amortization	6(b), 7 and 8	(258,827)	(257,102)	(261,908)	(257,562)
Revenue-linked expense		(38,666)	(74,039)	(41,066)	(74,900)
Third-party services		(14,906)	(17,909)	(15,816)	(18,653)
Maintenance in general		(4,907)	(5,056)	(5,915)	(5,652)
Promotion and publicity		(4,021)	(4,096)	(4,145)	(4,174)
Taxes and charges		(2,262)	(2,521)	(2,587)	(2,919)
Board and committee members		(3,381)	(2,838)	(3,411)	(2,838)
Expenses and sundry revenue, net	18	9,940	(57,533)	9,056	(57,558)
Equity pickup	6(a)	**420,759**	**31,737**	**(261)**	**1,495**
Financial result	19	**(531,687)**	**(1,143)**	**(112,223)**	**20,781**
Financial income		116,042	108,954	117,955	111,124
Financial expenses		(98,336)	(98,168)	(72,878)	(85,687)
Net exchange rate variations		(549,393)	(11,929)	(157,300)	(4,656)
Income before income taxes		**1,189,104**	**727,911**	**1,194,907**	**735,526**
Income tax and social contribution	16(c)	**(163,552)**	**(121,713)**	**(169,786)**	**(129,409)**
Current		(99,466)	1,929	(107,623)	(5,769)
Deferred		(64,086)	(123,642)	(62,163)	(123,640)
Net income for the years		**1,025,552**	**606,198**	**1,025,121**	**606,117**
Attributable to:					
Shareholders of B3		1,025,552	606,198	1,025,552	606,198
Non-controlling interests		-	-	(431)	(81)
Earnings per share attributable to shareholders of B3 (in R$ per share)	12(g)				
Basic earnings per share				0.501656	0.296113
Diluted earnings per share				0.499261	0.294460

See accompanying notes.

B3 S.A. - Brasil, Bolsa, Balcão

Statement of comprehensive income
Quarters ended March 31, 2020 and 2019
(In thousands of reais)

	Notes	B3		Consolidated	
		1Q 2020	1Q 2019	1Q 2020	1Q 2019
Net income for the periods		**1,025,552**	**606,198**	**1,025,121**	**606,117**
Other comprehensive income to be reclassified to P&L in subsequent periods		**(3,166)**	**(3,052)**	**(3,166)**	**(3,052)**
Translation adjustments					
Exchange rate variation on investment in foreign subsidiary	6(a)	-	-	11,014	167
		-	**-**	**11,014**	**167**
Cash flow hedges					
Amount of cash flow hedging instruments, net of taxes		859	2,371	859	2,371
Transfer to income of cash flow hedging instrument, net of taxes		(7,276)	(5,168)	(7,276)	(5,168)
		(6,417)	**(2,797)**	**(6,417)**	**(2,797)**
Financial instruments measured at fair value through comprehensive income					
Market to market of other financial assets, net of taxes		(7,748)	(414)	(7,763)	(422)
		(7,748)	**(414)**	**(7,763)**	**(422)**
Comprehensive income (loss) of subsidiary					
Translation adjustments of subsidiary	6(a)	11,014	167	-	-
Other comprehensive income (loss) of subsidiary	6(a)	(15)	(8)	-	-
		10,999	**159**	**-**	**-**
Other comprehensive income not reclassified to P&L in subsequent periods		**(22,663)**	**14,524**	**(22,663)**	**14,524**
Cash flow hedges					
Amount of cash flow hedging instruments, net of taxes		(12,055)	(4,112)	(12,055)	(4,112)
Market to market of equity instruments, net of taxes		(30,474)	14,497	(30,474)	14,497
Exchange rate variation on financial assets, net of taxes		19,866	4,139	19,866	4,139
		(22,663)	**14,524**	**(22,663)**	**14,524**
Total comprehensive income for the periods		**999,723**	**617,670**	**999,292**	**617,589**
Attributable to:		**999,723**	**617,670**	**999,292**	**617,589**
Shareholders of B3		999,723	617,670	999,723	617,670
Non-controlling interests		-	-	(431)	(81)

See accompanying notes.

B3 S.A. - Brasil, Bolsa, Balcão

Statement of changes in equity
Quarter ended March 31, 2020
(In thousands of reais)

		Attributable to shareholders of B3											
					Income reserves (Note 12(e))								
	Notes	Capital	Capital reserve	Revaluation reserves (Note 12(c))	Legal reserve	Statutory reserves	Treasury shares (Note 12(b))	Other comprehensive income	Proposed additional dividend	Retained earnings	Total	Non-controlling interests	Total equity
Balances at December 31, 2019		**3,548,655**	**18,104,738**	**17,845**	**3,453**	**2,872,786**	**(196,619)**	**42,896**	**994,247**		**25,388,001**	**13,232**	**25,401,233**
Translation adjustments		-	-	-	-	-	-	11,014	-	-	11,014	-	11,014
Cash flow hedge		-	-	-	-	-	-	(6,417)	-	-	(6,417)	-	(6,417)
Financial instruments measured at fair value through comprehensive income		-	-	-	-	-	-	(7,763)	-	-	(7,763)	-	(7,763)
Other comprehensive income not reclassified to income in subsequent periods		-	-	-	-	-	-	(22,663)	-	-	(22,663)	-	(22,663)
Total comprehensive income		-	-	-	-	-	-	**(25,829)**	**-**	**-**	**(25,829)**	**-**	**(25,829)**
Capital increase	12(a)	9,000,000	(9,000,000)										
Share buyback	12(b)	-	-	-	-	-	(239,607)	**-**	**-**	**-**	(239,607)	**-**	(239,607)
Realization of revaluation reserves – subsidiary		-	-	(146)	-	-	-	-	-	146	-	-	-
Transfer of treasury shares - stock grant plan	15(a)	-	(66,541)	-	-	-	66,541	-	-	-	-	-	-
Recognition of stock grant plan	15(a)	-	24,111	-	-	-	-	-	-	-	24,111	-	24,111
Non-controlling interests of BLK		-	-	-	-	-	-	-	-	-	-	90	90
Prior years' adjustments relating to subsidiary	6(a)	-	-	-	-	-	-	-	-	12	12	-	12
Interest on equity and prescribed dividends		-	-	-	-	-	-	-	-	186	186	-	186
Payment of interest on equity		-	-	-	-	-	-	-	(994,247)	-	(994,247)	-	(994,247)
Net income for the period		-	-	-	-	-	-	-	-	1,025,552	1,025,552	(431)	1,025,121
Allocations of profit:													
Interest on Equity	12(f)	-	-	-	-	-	-	-	-	(293,000)	(293,000)	-	(293,000)
Balances at March 31, 2020		**12,548,655**	**9,062,308**	**17,699**	**3,453**	**2,872,786**	**(369,685)**	**17,067**	**-**	**732,896**	**24,885,179**	**12,891**	**24,898,070**

See accompanying notes.

B3 S.A. - Brasil, Bolsa, Balcão

Statement of changes in equity
Quarter ended March 31, 2019
(In thousands of reais)

		Attributable to shareholders of B3										
					Income reserves (Note 12(e))							
	Notes	Capital	Capital reserve	Revaluation reserves (Note 12(c))	Legal reserve	Statutory reserves	Treasury shares	Other comprehensive income	Retained earnings	Total	Non-controlling interests	Total equity
Balances at December 31, 2018		**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		-	-	-	-	-	-	167	-	167	-	167
Cash flow hedge		-	-	-	-	-	-	(2,797)	-	(2,797)	-	(2,797)
Financial instruments measured at fair value through comprehensive income		-	-	-	-	-	-	(422)	-	(422)	-	(422)
Other comprehensive income not reclassified to income in subsequent periods		-	-	-	-	-	-	14,524	-	14,524	-	14,524
Total comprehensive income		-	-	-	-	-	-	**11,472**	**-**	**11,472**	**-**	**11,472**
Realization of revaluation reserves – subsidiary		-	-	(146)	-	-	-	-	146	-	-	-
Results of adoption of IFRS 16/CPC 06 (R2)		-	(1,140)	-	-	-	-	-	-	(1,140)	-	(1,140)
Transfer of treasury shares - stock grant plan	15(a)	-	(34,529)	-	-	-	34,529	-	-	-	-	-
Disposal of treasury shares - stock options exercised		-	(6)	-	-	-	366	-	-	360	-	360
Recognition of stock grant plan	15(a)	-	21,930	-	-	-	-	-	-	21,930	-	21,930
Non-controlling interests of BLK		-	-	-	-	-	-	-	-	-	2,019	2,019
Net income for the period		-	-	-	-	-	-	-	606,198	606,198	(81)	606,117
Allocations of profit:												
Interest on Equity		-	-	-	-	-	-	-	(395,000)	(395,000)	-	(395,000)
Balances at March 31, 2019		**3,548,655**	**18,052,433**	**18,285**	**3,453**	**3,519,990**	**(130,740)**	**53,369**	**211,344**	**25,276,789**	**13,165**	**25,289,954**

See accompanying notes.

B3 S.A. - Brasil, Bolsa, Balcão

Statement of cash flow
Quarters ended March 31, 2020 and 2019
(In thousands of reais)

		B3		Consolidated	
	Notes	1Q 2020	1Q 2019	1Q 2020	1Q 2019
Cash flow from operating activities					
Net income for the periods		**1,025,552**	**606,198**	**1,025,121**	**606,117**
Adjustments for:					
Depreciation and amortization	6(b), 7 and 8	258,827	257,102	261,908	257,562
Deferred income tax and social contribution	16(a)	64,086	123,642	62,163	123,640
Equity pick-up	6(a)	(420,759)	(31,737)	261	(1,495)
Stock grant plan expenses	15(a)	22,544	21,803	24,111	21,930
Interest expenses	19	98,060	79,536	72,375	66,276
Provision for tax, civil and labor contingencies	11(e)	(20,832)	47,129	(20,755)	47,288
Derivative financial instruments		(731,399)	(16,722)	(731,399)	(16,722)
Exchange rate variation of fundraising – Fair value hedge	9	714,816	13,403	714,816	13,403
Exchange rate variation - loans	9	538,926	10,105	175,200	3,285
Marked to market of fundraising	9	15,067	15,513	15,067	15,513
Other		(9,323)	(1,587)	1,848	(1,796)
Adjusted Net Income		**1,555,565**	**1,124,385**	**1,600,716**	**1,135,001**
Variation in financial investments and collateral for transactions		(364,380)	(497,206)	(571,395)	(407,175)
Effect of exchange rate variation on cash flow hedge		4,483	630	4,483	630
Variation in taxes to be offset and recoverable		24,894	(100,257)	15,501	(101,999)
Variation in accounts receivable		26,444	3,860	28,161	5,107
Variation in other receivables		(3,975)	7,839	43,165	(27,857)
Variation in prepaid expenses		10,391	(8,316)	9,662	(8,962)
Variation in judicial deposits		(97)	73,724	(97)	73,724
Variation in earnings and rights on securities in custody		1,928	(1,354)	1,928	(1,354)
Variation in suppliers		(33,121)	(41,917)	(32,610)	(40,763)
Variation in taxes and contributions payable		(58,248)	31,496	(53,657)	30,657
Variation in salaries and social charges		(166,368)	(105,345)	(167,014)	(106,136)
Variation in other liabilities		27,517	18,639	136,349	(10,699)
Variation in revenues to be allocated		30,885	31,269	30,885	31,269
Variation in provision for tax, civil, and labor contingencies	11(e)	(301)	(2,345)	(354)	(2,345)
Net cash from operating activities		**1,055,617**	**535,102**	**1,045,723**	**569,098**
Cash flow from investing activities					
Disposal of property and equipment		81	8	91	10
Purchase of property and equipment	7	(22,761)	(10,157)	(23,505)	(10,161)
Dividends and Interest on equity received		5,500	-	-	-
Settlement of derivative financial instrument		37,290	396	37,290	396
Subsidiary Capital Increase	6(a)	(14,647)	(3,120)	-	-
Purchase of software and projects	8	(28,511)	(23,584)	(29,374)	(23,641)
Acquisition of subsidiaries		-	(13,395)	-	(13,395)
Cash effect - acquisition of subsidiaries		-	-	-	426
Net cash from investing activities		**(23,048)**	**(49,852)**	**(15,498)**	**(46,365)**
Cash flow from financing activities					
Disposal of treasury shares - stock options exercised		-	360	-	360
Share buyback	12(b)	(239,607)	-	(239,607)	-
Amortization of principal and interest on loans	9	(91,169)	(88,198)	(91,464)	(84,107)
Payment of interest on equity		(672,726)	(419,368)	(672,726)	(419,368)
Net cash used in financing activities		**(1,003,502)**	**(507,206)**	**(1,003,797)**	**(503,115)**
Net increase (decrease) in cash and cash equivalents		**29,067**	**(21,956)**	**26,428**	**19,618**
Balance of cash and cash equivalents at beginning of period	4(a)	137,880	83,125	239,979	121,000
Balance of cash and cash equivalents at end of period	4(a)	166,947	61,169	266,407	140,618

See accompanying notes.

B3 S.A. - Brasil, Bolsa, Balcão

Statement of value added
Quarters ended March 31, 2020 and 2019
(In thousands of reais)

		B3		Consolidated	
	Notes	1Q 2020	1Q 2019	1Q 2020	1Q 2019
1 – Revenues	17	**2,088,505**	**1,506,055**	**2,125,162**	**1,531,869**
Registration, trading, clearance and settlement system		1,833,929	1,337,052	1,855,545	1,347,969
Technology, data and services		254,576	169,003	269,617	183,900
2 - Goods and services acquired from third parties		**110,717**	**196,631**	**118,815**	**199,595**
Expenses (a)		110,717	196,631	118,815	199,595
3 - Gross value added (1-2)		**1,977,788**	**1,309,424**	**2,006,347**	**1,332,274**
4 - Retentions		**258,827**	**257,102**	**261,908**	**257,562**
Depreciation and amortization	6(b), 7 and 8	258,827	257,102	261,908	257,562
5 - Net value added produced by the Company (3-4)		**1,718,961**	**1,052,322**	**1,744,439**	**1,074,712**
6 - Value added received in transfer		**536,801**	**140,691**	**117,694**	**112,619**
Equity pickup	6(a)	420,759	31,737	(261)	1,495
Financial income	19	116,042	108,954	117,955	111,124
7 - Total value added to be distributed (5+6)		**2,255,762**	**1,193,013**	**1,862,133**	**1,187,331**
8 - Distribution of value added		**2,255,762**	**1,193,013**	**1,862,133**	**1,187,331**
Personnel and charges		195,957	197,617	211,089	202,078
Board and committee members' compensation		3,381	2,838	3,411	2,838
Taxes, charges and contributions (b)					
Federal		347,950	251,031	356,112	260,143
Municipal		35,193	25,232	36,222	25,812
Financial expenses	19	647,729	110,097	230,178	90,343
Interest on equity and dividends	12 (f)	293,000	395,000	293,000	395,000
Net income of the periods		732,552	211,198	732,121	211,117

(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.

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 14, 2020.

The quarterly information is prepared and presented in accordance with the accounting practices adopted in Brazil. Additionally, this quarterly information comprises the minimum disclosure requirements established by CPC 21(R1) – Interim Financial Reporting, as well as other information considered significant. This information does not include all the requirements relating to annual financial statements; accordingly, this information should be read in conjunction with the individual and consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and the accounting practices adopted in Brazil issued by CPC and approved by the Brazilian SEC (CVM) for the year ended December 31, 2019. As such, this quarterly information as at March 31, 2020 was not subject to full disclosure due to redundancy in relation to the information presented in the annual financial statements, as provided for in CVM/SNC/SEP Circular Memorandum No. 003/2011.

Preparation of the financial statements requires the use of certain significant accounting estimates as well as professional judgment in the process of applying B3's accounting policies. No changes occurred in the assumptions and judgments for using the estimates for preparation of this quarterly information as compared with the assumptions and judgments used in the financial statements as at December 31, 2019, disclosed on March 05, 2020.

All significant information own of the financial statements used by Management in managing B3 is evidenced in this quarterly information.

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:

	% - Ownership Interest	
Direct subsidiaries and controlled entities:	**03/31/2020**	**12/31/2019**
Banco B3 S.A. ("Banco B3")	100.00	100.00
Bolsa de Valores do Rio de Janeiro ("BVRJ")	86.95	86.95
BM&FBOVESPA (UK) Ltd. ("UK Ltd.")	100.00	100.00
BM&FBOVESPA BRV LLC ("BRV LLC")	100.00	100.00
B3 Inova USA LLC ("B3 Inova")	100.00	100.00
CETIP Info Tecnologia S.A. ("CETIP Info")	100.00	100.00
CETIP Lux S.à.r.l. ("CETIP Lux")	100.00	100.00
Portal de Documentos S.A. ("Portal de Documentos")	100.00	100.00
BLK Sistemas Financeiros Ltda. ("BLK")	75.00	75.00

Exclusive investment funds:

BB Pau Brasil Fundo de Investimento Renda Fixa ("BB Pau Brasil FI RF")
Imbuia FI Renda Fixa Referenciado DI ("Imbuia FI RF DI")
Fundo de Investimento Jacarandá Renda Fixa ("Jacarandá RF")

b) Individual quarterly information

In the individual quarterly information (B3), the subsidiaries are accounted for under the equity method. The same adjustments are performed in the individual quarterly information and consolidated quarterly information in order to obtain the same P&L and equity attributable to the 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.

3. Summary of significant accounting practices

The accounting practices and calculation methods used in the preparation of this quarterly information are the same as the practices and methods adopted for preparing the financial statements for the year ended December 31, 2019.

a) Significant accounting estimates and judgments

The preparation of financial statements requires the use of certain critical accounting estimates as well as the exercise of judgment in the process of applying B3's accounting policies. Those more complex areas that require a higher level of judgment, as well as the areas in which assumptions and estimates are significant to the consolidated financial statements are the following:

- Equity pickup – Note 6(a)
- Impairment of assets – Notes 7 and 8
- Classification and fair value calculation of financial instruments – Note 4
- Incentive based on equity instruments – Notes 15(a) and (b)
- Provision for tax, civil and labor contingencies, contingent assets and liabilities – Note 11
- Estimated useful life of property and equipment and intangible assets – Notes 7 and 8
- Future installments – Note 10

4. Cash and cash equivalents, financial investments and derivative financial instruments

a) Cash and cash equivalentes

	B3		Consolidated	
Description	**03/31/2020**	**12/31/2019**	**03/31/2020**	**12/31/2019**
Cash and banks – deposits in local currency	28,711	28,265	394	332
Bank checking account in foreign currency	138,236	109,615	266,013	239,647
Cash and cash equivalents	**166,947**	**137,880**	**266,407**	**239,979**
Bank deposits in foreign currency - Third-party funds (1)	638,657	254,054	638,657	254,054
Total cash and cash equivalents	**805,604**	**391,934**	**905,064**	**494,033**

(1) Refers to the restricted resources of third parties linked to the full settlement of derivative transactions (Clearing BM&FBOVESPA) and exchange transactions (Clearing Exchange).

Cash and cash equivalents are held with Brazilian or foreign financial institutions subject to low credit risk. Deposits in foreign currency are mostly in US dollars.

b) Financial investments

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

					B3
Description	**No maturity**	**Above 12 months and up to 5 years**	**Over 5 years**	**03/31/2020**	**12/31/2019**
Financial assets measured at fair value through profit or loss					
Financial investment fund (1)	7,720,396	-	-	7,720,396	7,354,480
Federal government securities					
Financial Treasury Bills (LFT)	-	106	-	106	105
Other investments	16	-	-	16	20,459
	7,720,412	106	-	7,720,518	7,375,044
Financial assets measured at fair value through other comprehensive income					
Federal government securities					
Financial Treasury Bills (LFT)	-	1,361,098	192,886	1,553,984	1,677,898
National Treasury Bills (LTN)	-	115,384	-	115,384	112,962
National Treasury Notes (NTN)	-	105,904	-	105,904	215,156
Shares- Minority interest (4)	354,240	-	-	354,240	370,313
	354,240	1,582,386	192,886	2,129,512	2,376,329
Financial assets measured at amortized cost					
Federal government securities					
National Treasury Notes (NTN) (5)	-	61,769	-	61,769	64,594
	-	61,769	-	61,769	64,594
Total financial investments and marketable securities	**8,074,652**	**1,644,261**	**192,886**	**9,911,799**	**9,815,967**
Current				**8,074,652**	**7,884,389**
Noncurrent				**1,837,147**	**1,931,578**

	Consolidated						
Description	**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**	**3/31/2020**	**12/31/2019**
Financial assets measured at fair value through profit or loss							
Financial investment fund (1)	5,931,257	-	-	-	-	5,931,257	5,725,250
Repurchase agreements (2)	-	459,020	735,480	-	-	1,194,500	963,674
Federal government securities							
Financial Treasury Bills (LFT)	-	-	14,764	1,167,553	337,960	1,520,277	1,385,988
National Treasury Notes (NTN)	-	-	-	402	-	402	-
Other investments	18	-	-	-	-	18	20,463
	5,931,275	459,020	750,244	1,167,955	337,960	8,646,454	8,095,375
Financial assets measured at fair value through other comprehensive income							
Federal government securities							
Financial Treasury Bills (LFT)	-	-	22,833	1,415,985	199,233	1,638,051	1,786,013
National Treasury Bills (LTN)	-	-	-	115,384	-	115,384	112,963
National Treasury Notes (NTN)	-	-	33	105,904	18	105,955	215,210
Other investments (3)	50,542	-	-	-	-	50,542	25,080
Shares- Minority interest (4)	354,240	-	-	-	-	354,240	370,313
	404,782	-	22,866	1,637,273	199,251	2,264,172	2,509,579
Financial assets measured at amortized cost							
Federal government securities							
National Treasury Notes (NTN) (5)	-	-	-	61,769	-	61,769	64,594
	-	-	-	61,769	-	61,769	64,594
Total financial investments and marketable securities	**6,336,057**	**459,020**	**773,110**	**2,866,997**	**537,211**	**10,972,395**	**10,669,548**
Current						**9,027,303**	**8,631,578**
Noncurrent						**1,945,092**	**2,037,970**

(1) Investment funds mostly comprise investments in federal government bonds and operations subject to repurchase agreements backed by government bonds indexed by reference to the Central Bank Benchmark Rate (SELIC). In the consolidated financial statements, exclusive investment funds are distributed in accordance with the financial instrument and maturity and are, however, recorded in current assets. Equity of investment funds is as follows:

		B3		Consolidated	
	Administrator	**03/31/2020**	**12/31/2019**	**03/31/2020**	**12/31/2019**
Exclusive investment funds included in the consolidation process					
Imbuia FI RF DI	Safra Adm. Fiduciária Ltda	812,676	804,695	-	-
BB Pau Brasil FI RF	BB DTVM S.A.	714,981	949,849	-	-
Jacarandá RF	Votorantim DTVM Ltda	395,392	-	-	-
		1,923,049	**1,754,544**	**-**	**-**
Mutual investment funds					
Bradesco FI RF LP Eucalipto	Banco Bradesco S.A.	3,937,809	3,098,018	4,016,447	3,175,325
FI Liquidez Câmara BM&FBOVESPA	Banco B3 S.A.	678,220	671,570	678,220	671,570
Santander FI Cedro RF	Banco Santander S.A.	662,452	788,943	698,015	820,219
Araucária RF F	Itaú Unibanco S.A.	518,866	638,722	538,526	655,398
Jacarandá RF	Votorantim DTVM Ltda	-	391,682	-	391,682
Bradesco Empresas FIC FI DI Federal	Banco Bradesco S.A.	-	11,001	49	11,056
		5,797,347	**5,599,936**	**5,931,257**	**5,725,250**
Total		**7,720,396**	**7,354,480**	**5,931,257**	**5,725,250**

(2) Obtained from banks with low credit risk and backed by federal government securities.

(3) Investments in gold and funds through foreign subsidiary.

(4) These refer to shares of Bolsa de Comercio de Santiago in the amount of R$70,565 (R$64,623 at December 31, 2019); Bolsa Mexicana de Valores - R$193,387 (R$212,343 at December 31, 2019); Bolsa de Valores de Colômbia - R$41,966 (R$52,709 at December 31, 2019) and Bolsa de Valores de Lima - R$48,322 (R$40,638 at December 31, 2019) acquired by B3 within its strategy to explore opportunities of partnerships with other stock exchanges.

(5) National Treasury Notes linked to the operation between B3 and Associação BM&F (Note 13 (a)).

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; 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 in respective depository financial institutions.

The positions of financial assets as well any impairment risks to which these assets are exposed are periodically monitored. In the case of impairment or subsequent recovery of amounts previously written off, these adjustments are recorded in P&L for the period. Considering the nature of these assets, B3 recorded no historical impairment losses.

Marketable securities were not reclassified in the period.

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. Amounts receivable and trade accounts payable approximate book value due to their short-term maturity and fair value of transactions with related parties corresponds to book value.

Derivative financial instruments

B3 conducts operations involving derivative financial instruments aimed solely as hedge against market risks such as currency fluctuation and share B3SA3 price variation. B3's exposure to the risk of price fluctuation is related to payment of labor charges arising from the long-term incentive program ("ILP"). Hedge accounting is applied to all derivatives contracted.

Investment in foreign subsidiary (CETIP Lux)

	B3	Consolidated
Assets		
Investment in foreign subsidiary	1,808,139	-
Liabilities		
Intercompany loans and loan taken out by subsidiary	(2,467,867)	(782,364)
Net currency exposure	**(659,728)**	**(782,364)**

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).

Cash flow and fair value hedge

At March 31, 2020, the swap consolidated amounts measured at fair value are the following:

								B3 and Consolidated					
										Gain/(Loss) for the period			
Hedge Classification	**Hedged Item**	**Hedging instrument**	**Notional value**			**Notional value - R$**	**Maturity**	**Assets**	**Liabilities**	**Nonfinancil assets**	**Operating expenses**	**Financial result**	**Equity**
Cash Flow	**Interest installmentes – foreign debt (1)**	**Swap**	Assets Liabilities	USD BRL	19,800 65,756	- CDI -3.38%	07/16/2020	34,107	-	-	-	10,239	5,191
Cash Flow	**Stock Grant Charges (2)**	**Swap**	Assets Liabilities	BRL	161,403	B3SA3 + earnings CDI +0.64%	Nov/2020 to May/2021	-	(31,388)	-	(8,095)	351	(12,423)
Fair Value	**Foreign debt (3)**	**Swap**	Assets Liabilities	USD BRL	350,000 1,108,940	- 67.22% of CDI	07/16/2020	551,896	-	-	-	270,403	-
Fair Value	**Foreign debt (3)**	**Swap**	Assets Liabilities	USD BRL	262,000 870,836	- CDI -3.36%	07/16/2020	449,201	-	-	-	204,655	-
Cash Flow	***Bolsa Mexicana de Valores Shares* (4)**	**NDF**		MXN	850,000	198,475	06/03/2020	8,135	-	-	-	-	5,369
Cash Flow	***Bolsa de Comércio de Santiago* Shares (4)**	**NDF**		CLP	10,000,000	55,780	06/03/2020	-	(5,687)	-	-	-	(3,753)
Cash Flow	**Certain firm commitments (5)**	**Cash in foreign currency**		USD EUR	1,698 3,265	27,524	12/31/2020	-	-	17	11	-	2,930
								1,043,339	**(37,075)**	**17**	**(8,084)**	**485,648**	**(2,686)**
Current								**1,043,339**	**(36,543)**				
Non Current								**-**	**(532)**				

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, to hedge the investment, the installment of half-yearly interest of Senior Unsecured Notes (Note 9), from currency risk.

(2) In January 2019, B3 engaged in a new hedge transaction due to its exposure to price variation of B3SA3 shares, in order to neutralize the impacts of share price variation in paying labor charges on long-term incentive plans.

(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 2020, B3 took out from mostly low credit risk financial institutions a non-Deliverable Forward (NDF) to hedge the investment in the shares of Bolsa Mexicana de Valores and shares of Bolsa de Comercio de Santiago from exchange rate variation. The hedging account correspond to 97% and 86% of the investments, respectively.

(5) In February 2020, 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 December 31, 2020, regardless of whether the contract terms exceed that date.

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 short-term investment policy focuses on high liquidity and low risk, which mostly results in allocations to federal government bonds indexed at SELIC and acquired directly, via repurchase agreements backed by government securities and through exclusive and non-exclusive funds.

Derivative instrument transactions are performed by B3 exclusively for hedging 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.

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.

Exposure to Risk Factors (Consolidated)

		03/31/2020		12/31/2019	
Risk fator	**Risk**	**Percentage**	**Amount**	**Percentage**	**Amount**
Floating interest rate	Lower SELIC rate	68.52%	9,823,290	66.73%	9,307,882
Floating interest rate	Higher CDI	25.16%	3,608,068	24.54%	3,423,866
Share price	Lower price	2.47%	354,240	2.66%	370,313
Fixed interest rate	Higher fixed rate	1.24%	177,662	2.41%	336,516
Foreign Exchange – USD	Lower currency	1.15%	165,275	0.23%	31,419
Inflation	Lower inflation rate	0.74%	105,955	0.58%	80,602
Foreign exchange – Others	Lower currency	0.72%	103,595	2.70%	376,127
Gold	Lower gold price	0.00%	-	0.15%	20,421

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.

	Impact				
Risk factor	**-50%**	**-25%**	**Probable scenario**	**+25%**	**+50%**
Bolsa de Comercio de Santiago shares in BRL	(34,489)	(16,450)	1,588	19,627	37,665
Share price in CLP	1,184.02	1,776.02	2,368.03	2,960.04	3,552.05
Bolsa de Mexicana de Valores shares in BRL	(100,803)	(54,510)	(8,218)	38,074	84,367
Share price in MXN	17.35	26.03	34.70	43.38	52.05
Bolsa de Valores da Colombia shares in BRL	(21,465)	(11,215)	(965)	9,286	19,536
Share price in COP	4,318.41	6,477.62	8,636.82	10,796.03	12,955.23
Bolsa de Valores de Lima shares in BRL	(24,793)	(13,029)	(1,265)	10,500	22,264
Share price in PEN	1.04	1.56	2.08	2.61	3.13

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.

	Impact				
Risk factor	**-50%**	**-25%**	**Probable scenario**	**+25%**	**+50%**
CDI	(15,082)	(22,552)	(29,977)	(37,357)	(44,692)
CDI rate	1.69%	2.53%	3.37%	4.21%	5.06%
SELIC	39,914	59,686	79,336	98,866	118,279
SELIC rate	1.69%	2.53%	3.37%	4.21%	5.06%

- 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.

The possible impacts shown by the sensitivity analysis would substantially affect equity, net of taxes.

	Impact				
Risk factor	**-50%**	**-25%**	**Probable scenario**	**+25%**	**+50%**
USD	(80,220)	(39,528)	1,165	41,858	82,550
Exchange rate USD/BRL	2.6181	3.9272	5.2362	6.5453	7.8543
EUR	(766)	(373)	20	413	806
Exchange rate EUR/BRL	2.8994	4.3491	5.7988	7.2485	8.6983
CLP	(3,257)	(1,596)	65	1,726	3,386
Exchange rate CLP/BRL	0.0031	0.0047	0.0062	0.0078	0.0093
MXN	(2,510)	(1,294)	(78)	1,138	2,354
Exchange rate MXN/BRL	0.1091	0.1637	0.2182	0.2728	0.3273
COP	(21,064)	(10,614)	(163)	10,287	20,738
Exchange rate COP/BRL	0.0007	0.0010	0.0013	0.0016	0.0020
PEN	(24,300)	(12,288)	(277)	11,734	23,745
Exchange rate PEN/BRL	0.7524	1.1286	1.5048	1.8810	2.2572

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. B3 manages its cash flows to ensure liquidity and compliance with all Company 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**	**From 2 and 5 years**	**Above 5 years**
Collaterals for transactions	3,157,315	-	-	-	-
Debt issued abroad	-	3,284,539	-	-	-
Swap (1)	-	(985,181)	602	-	-
NDFs (2)	-	(302)	-	-	-
Debentures	-	47,753	44,455	1,266,415	-
Loan in dollars	-	540,456	9,120	274,141	-
FINEP loan	-	3,014	2,581	6,802	2,871
	3,157,315	**2,890,279**	**56,758**	**1,547,358**	**2,871**

(1) For the adjustment calculation, CDI curve was used from March 31, 2020 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.

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 to provide return for its shareholders and for other stakeholders, as well as to maintain an optimal target capital structure. 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, 2020, the difference between financial assets and liabilities amounted to R$4,399,242, as follows:

	Consolidated	
	03/31/2020	**12/31/2019**
Cash and cash equivalents/financial investments	11,877,459	11,163,581
Loans and financing, debentures and derivative financial instruments	(4,249,077)	(4,019,919)
Collateral for transactions	(3,157,315)	(3,013,447)
Earnings and rights on securities under custody	(71,825)	(69,897)
	4,399,242	**4,060,318**

Other information

B3, especially for this base date, due to the impacts of the measures to contain COVID-19 pandemic on the calculation of expected losses on financial instruments, monitored the positions of financial assets and receivables to identify significant increases in credit risk. Given the nature of these assets (substantially backed by federal government bonds), non-existence of a significant financing components, and quantitative and qualitative aspects, B3 identified no significant increase in credit risk relating to such assets. B3 will continue to monitor these financial instruments periodically and prospectively.

5. Trade accounts receivable

Breakdown of accounts receivable is as follows:

	B3		Consolidated	
Description	**03/31/2020**	**12/31/2019**	**03/31/2020**	**12/31/2019**
Fees	52,936	40,500	52,937	40,500
Trust and custodian fees	121,982	147,316	121,982	147,316
Vendors - Signal broadcasting	22,736	27,904	27,039	33,586
Database management	54,531	49,195	54,531	49,195
Data processing	30,702	31,649	30,702	31,649
Other accounts receivable	27,111	39,877	29,567	42,688
Subtotal	**309,998**	**336,441**	**316,758**	**344,934**
Estimated losses on accounts receivable	(4,116)	(5,529)	(4,356)	(5,614)
Total	**305,882**	**330,912**	**312,402**	**339,320**

The amounts of accounts receivable are primarily denominated in Brazilian Reais and approximately 95% falls due within 90 days. At March 31, 2020, the amounts overdue above 90 days totaled R$4,279 (R$3,025 at December 31, 2019) at B3 and in the consolidated.

Changes in estimated losses on accounts receivable:

	B3	Consolidated
Balance at December 31, 2019	**5,529**	**5,614**
Additions	208	369
Reversals	(1,621)	(1,627)
Balance at March 31, 2020	**4,116**	**4,356**

6. Investments

a) *Investments in subsidiaries and associates*

Investments in subsidiaries and associates comprise the following:

	Subsidiaries								Associate	
	Banco B3	BVRJ	UK Ltd.	B3 Inova	CETIP Info	CETIP Lux	BLK	Portal de Documentos	RTM (1)	Total
Investment Informations										
Total shares	24,000	115	1,000	1	800	85,000	403,650	200,000	2,020,000	
% - Interest held	100.00	86.95	100.00	100.00	100.00	100.00	75.00	100.00	20.00	
Equity	103,639	88,363	2,355	50,545	106,921	1,808,139	912	9,198	67,951	
Appreciation in business combination	-	-	-	-	-	-	12,645	85,043	8,809	
Adjusted P&L	3,338	466	(61)	(17)	7,801	414,338	(1,968)	(3,308)	4,525	
Key financial information										
Assets	850,757	93,771	2,915	50,545	112,340	2,609,466	6,624	24,239	79,429	
Liabilities	747,118	5,408	560	-	5,419	801,327	5,712	15,041	11,478	
Revenues	11,913	1,517	424	-	13,604	-	2,320	9,850	23,528	
Changes in Investments										
Balances at December 31, 2019	**100,316**	**76,427**	**2,237**	**25,080**	**99,120**	**1,393,801**	**14,535**	**96,326**	**22,660**	**1,830,502**
Equity in income of investees	3,338	405	(61)	(17)	7,801	414,338	(1,476)	(3,308)	(261)	420,759
Comprehensive income of subsidiary	(15)	-	-	-	-	-	-	-	-	(15)
Translation adjustments of subsidiaries	-	-	179	10,835	-	-	-	-	-	11,014
Previous year adjustment of subsidiary	-	-	-	-	-	-	12	-	-	12
Capital increase	-	-	-	14,647	-	-	-	-	-	14,647
Recognition of stock grant plan	-	-	-	-	-	-	258	1,223	-	1,481
Balances at March 31, 2020	**103,639**	**76,832**	**2,355**	**50,545**	**106,921**	**1,808,139**	**13,329**	**94,241**	**22,399**	**2,278,400**

(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.

The BRV LLC stated no balance in the period.

b) *Investment properties*

This category comprises properties owned by subsidiary 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$380 at March 31, 2019). Rental income from these properties for the quarter ended March 31, 2020 amounted to R$1,434 (R$1,434 at March 31, 2019).

At March 31, 2020, cost less accumulated depreciation of these proprieties amounted to R$24,183 (R$24,563 at December 31, 2019) and fair value estimated is R$104,453 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.

7. Property and equipment

							B3
Changes	**Buildings**	**Furniture and fixtures**	**Computer devices and equipment**	**Facilities**	**Other**	**Construction in progress**	**Total**
Balances at December 31, 2019	**293,567**	**20,707**	**243,956**	**47,741**	**33,176**	**40,733**	**679,880**
Additions	832	794	13,709	6,092	1,005	329	22,761
Right of use	4,800	-	-	-	-	-	4,800
Write-offs	-	(253)	(47)	-	(2)	-	(302)
Transfers	2,534	-	-	-	-	(2,534)	-
Expenses with recapitalized depreciation	-	-	(348)	(1)	-	-	(349)
Depreciation	(5,937)	(1,472)	(13,876)	(2,215)	(1,114)	-	(24,614)
Balances at March 31, 2020	**295,796**	**19,776**	**243,394**	**51,617**	**33,065**	**38,528**	**682,176**
At March 31, 2020							
Cost	480,129	65,789	657,792	100,893	83,368	38,528	1,426,499
Accumulated depreciation	(184,333)	(46,013)	(414,398)	(49,276)	(50,303)	-	(744,323)
Net book balance	**295,796**	**19,776**	**243,394**	**51,617**	**33,065**	**38,528**	**682,176**
Annual average depreciation rates	**4.5%**	**13.3%**	**13.7%**	**8.9%**	**11.7%**	**-**	

							Consolidated
Changes	**Buildings**	**Furniture and fixtures**	**Computer devices and equipment**	**Facilities**	**Other**	**Construction in progress**	**Total**
Balances at December 31, 2019	**296,354**	**21,363**	**248,648**	**47,809**	**34,946**	**40,733**	**689,853**
Additions	832	847	14,400	6,092	1,005	329	23,505
Right of use	4,800	-	-	-	-	-	4,800
Write-offs	-	(253)	(57)	-	(2)	-	(312)
Transfers	2,534	-	-	-	-	(2,534)	-
Expenses with recapitalized depreciation	-	-	(348)	(1)	-	-	(349)
Depreciation	(6,098)	(1,503)	(14,221)	(2,221)	(1,132)	-	(25,175)
Balances at March 31, 2020	**298,422**	**20,454**	**248,422**	**51,679**	**34,817**	**38,528**	**692,322**
At March 31, 2020							
Cost	483,344	67,775	670,550	102,155	85,306	38,528	1,447,658
Accumulated depreciation	(184,922)	(47,321)	(422,128)	(50,476)	(50,489)	-	(755,336)
Net book balance	**298,422**	**20,454**	**248,422**	**51,679**	**34,817**	**38,528**	**692,322**
Annual average depreciation rates	**4.5%**	**13.3%**	**13.7%**	**8.9%**	**11.7%**	**-**	

8. Intangible assets

B3

Changes	Goodwill (1)	Cost of software development internally generated	Software internally generated – projects completed	Software	Contractual relations	Trademarks	Total
Balances at December 31, 2019	**22,338,799**	**239,497**	**3,625,765**	**121,937**	**24,680**	**17,428**	**26,368,106**
Additions	-	24,786	-	3,725	-	-	28,511
Transfers	-	(51,600)	(12,362)	63,962	-	-	-
Amortization	-	-	(205,271)	(9,046)	(2,468)	(17,428)	(234,213)
Other	-	388	-	(39)	-	-	349
Balances at March 31, 2020	**22,338,799**	**213,071**	**3,408,132**	**180,539**	**22,212**	**-**	**26,162,753**
At March 31, 2020							
Cost	22,338,799	213,071	6,091,502	648,292	54,222	190,131	29,536,017
Accumulated amortization	-	-	(2,683,370)	(467,753)	(32,010)	(190,131)	(3,373,264)
Net book balance	**22,338,799**	**213,071**	**3,408,132**	**180,539**	**22,212**	**-**	**26,162,753**
Annual average amortization rates	**-**	**-**	**13.7%**	**13.2%**	**17.6%**	**-**	

Consolidated

Changes	Goodwill (1)	Cost of software development internally generated	Software internally generated – projects completed	Software	Contractual relations	Trademarks	Total
Balances at December 31, 2019	**22,416,150**	**239,496**	**3,649,476**	**126,196**	**38,792**	**17,439**	**27,487,549**
Additions	-	24,786	406	4,182	-	-	29,374
Transfers	-	(51,600)	(12,362)	63,962	-	-	-
Amortization	-	-	(206,168)	(9,728)	(3,028)	(17,429)	(236,353)
Other	-	388	-	(39)	-	-	349
Balances at March 31, 2020	**22,416,150**	**213,070**	**3,431,352**	**184,573**	**35,764**	**10**	**26,280,919**
At March 31, 2020							
Cost	22,416,150	213,070	6,117,811	658,955	68,978	190,141	29,665,105
Accumulated amortization	-	-	(2,686,459)	(474,382)	(33,214)	(190,131)	(3,384,186)
Net book balance	**22,416,150**	**213,070**	**3,431,352**	**184,573**	**35,764**	**10**	**26,280,919**
Annual average amortization rates	**-**	**-**	**13.7%**	**13.2%**	**17.6%**	**-**	

(1) Goodwill amounts

As at March 31, 2020, the main variables relating to projected future cash flows of cash-generating units Bovespa Holding and CETIP (UTVM and UFIN) were reviewed and no requirement to adjust the goodwill amounts was identified.

As at such base date, the projected future cash flows of Portal de Documentos and BLK (acquired in 2019) were also analyzed and no requirement to adjust the goodwill amounts was identified.

Bovespa Holding

The goodwill generated on the acquisition of Bovespa Holding in 2008, grounded on expected future profitability and an economic and financial appraisal report on the investment, was R$ 16,064,309. At December 31, 2015, the test based on an appraisal report, then prepared by independent experts, identified the need to reduce the recoverable amount of Bovespa Holding by R$ 1,662,681 and, consequently, the goodwill book value corresponded to R$ 14,401,628.

CETIP

The goodwill generated on the acquisition of CETIP in March 2017, amounting to R$ 7,937,171, is based on the expectation of future profitability and the Purchase Price Allocation (PPA) report, with R$ 5,041,133 allocated for CETIP UTVM and R$ 2,896,038 for CETIP UFIN.

Subsidiaries

Portal de Documentos and BLK

The goodwill generated upon acquisition of Portal de Documentos (R$68,100 in June 2019) and BLK (R$9,251 in March 2019) is based on expected future profitability and the Purchase Price Allocation (PPA) report.

9. Loans and financing

					B3
	Foreign debt	Debentures	Loans involving subsidiaries	Other loans	Total
Balance at December 31, 2019	**2,519,416**	**1,208,045**	**1,902,517**	**27,619**	**5,657,597**
Additions/Appropriation of interest	45,997	12,615	32,411	546	91,569
Leases	-	-	-	4,800	4,800
Amortization of borrowing costs	353	87	-	9	449
Amortization of interest	(82,609)	-	(5,987)	(243)	(88,839)
Amortization of principal	-	-	-	(2,330)	(2,330)
FX differences	-	-	538,926	-	538,926
FX differences - Fair value hedge	714,816	-	-	-	714,816
FX differences - Cash flow hedge	6,042	-	-	-	6,042
Present value adjustment - Fair value hedge	15,067	-	-	-	15,067
Balance at March 31, 2020	**3,219,082**	**1,220,747**	**2,467,867**	**30,401**	**6,938,097**
At December 31, 2020					
Current	3,219,082	21,152	363,433	8,336	3,612,003
Noncurrent	-	1,199,595	2,104,434	22,065	3,326,094
Book Balance	**3,219,082**	**1,220,747**	**2,467,867**	**30,401**	**6,938,097**

	Consolidated				
	Foreign debt	**Debentures**	**Bank loans**	**Other loans**	**Total**
Balance at December 31, 2019	**2,519,416**	**1,208,045**	**606,589**	**30,497**	**4,364,547**
Additions/Appropriation of interest	45,997	12,615	6,682	590	65,884
Leases	-	-	-	4,800	4,800
Amortization of borrowing costs	353	87	-	9	449
Amortization of interest	(82,609)	-	(6,107)	(243)	(88,959)
Amortization of principal	-	-	-	(2,505)	(2,505)
FX differences	-	-	175,200	-	175,200
FX differences - Fair value hedge	714,816	-	-	-	714,816
FX differences - Cash flow hedge	6,042	-	-	-	6,042
Present value adjustment - Fair value hedge	15,067	-	-	-	15,067
Balance at March 31, 2020	**3,219,082**	**1,220,747**	**782,364**	**33,148**	**5,255,341**
At December 31, 2020					
Current	3,219,082	21,152	522,429	8,904	3,771,567
Noncurrent	-	1,199,595	259,935	24,244	1,483,774
Book Balance	**3,219,082**	**1,220,747**	**782,364**	**33,148**	**5,255,341**

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$42,317 (R$72,887 at December 31, 2019), referring to half-yearly interest incurred until the reporting date. This transaction will mature on July 16, 2020.

The market value of securities, obtained from Bloomberg, considers principal and interest, and amounts to R$3,168,337 at March 31, 2020 (R$2,516,198 at December 31, 2019).

Debentures

	Contract rate	Number	Unit par value in R$	Total issuance
Second issuance (single series)	102.80% DI	120,000	10,000.00	1,200,000

At March 31, 2020, the principal amount plus interest less the cost incurred on the second issue of debentures is R$1,220,747 (R$1,208,045 at December 31, 2019). The debenture contains a renegotiation clause scheduled in March 2022 and payment of half-yearly interest in May and November.

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% p.a., with payment of interest on a half-yearly basis, annually or upon maturity of the principal, depending on the agreement.

In September 2019, the loan with the subsidiary amounting to US$ 404,800 was renegotiated to approximately 4 years and interest rate of 3.5% p.a.

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 annum.

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. In September 2019, B3 took out a new bank loan amounting to US$50,000, for a period of 4 years, subject to interest rate of 3.47% p.a. to be paid on a quarterly basis. This amount was fully used for paying the maturing loan.

The loan agreements set out that CETIP Lux shall maintain a minimum equity amount over the agreement period. In case of noncompliance, the loan may mature in advance. In the period, this section was complied with.

10. Other obligations

	B3		Consolidated	
	03/31/2020	**12/31/2019**	**03/31/2020**	**12/31/2019**
Current				
Repurchase agreements (1)	-	-	360,960	373,073
Demand deposits (2)	-	-	342,153	180,819
Exchange to settle	25,894	-	25,894	-
Synergy transfer	32,211	23,964	32,211	23,964
Amounts to be transferred - Direct Treasury	26,478	40,524	26,478	40,524
Amounts to be transferred - Incentives	33,640	41,880	33,640	41,880
Payables – CME/ICE	52,898	40,920	52,898	40,920
Contingent consideration (3)	16,764	23,717	16,764	23,717
Other	29,319	28,175	40,451	79,650
Total	**217,204**	**199,180**	**931,449**	**804,547**
Noncurrent				
Contingent consideration (3)	20,415	18,996	20,415	18,996
Payables – CME/ICE	10,645	8,105	10,645	8,105
Other	-	-	854	900
Total	**31,060**	**27,101**	**31,914**	**28,001**

(1) These refer to open market funding made by Banco B3, comprising repurchase agreements maturing on April 1, 2020 (2019 - January 2, 2020) 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.

(3) These refer to the remaining acquisition amount of Portal de Documentos. Fair value of future installments is reviewed and calculated under the Montecarlo Method (MMC).

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.

Legal and administrative proceedings are classified, according to their likelihood of loss, as probable, possible and remote, based on an assessment made in accordance with the Company's contingency assessment guidelines and submitted to the Audit Committee.

The proceedings assessed as probable loss are mostly comprised as follows:

(i) Labor claims mostly relate to claims filed by former employees of B3 and employees of outsourced service providers, because of alleged noncompliance with labor legislation;

(ii) 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 CETIP Associação; and (ii) securities of former member of the then Associação BM&F; and

(iii) 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.

e) *Changes in balances*

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

						B3
	Civil	Labor	Legal obligations	Tax	Other provisions	Total
Balances at December 31, 2019	**548,678**	**31,634**	**184,340**	**24,996**	**76,651**	**866,299**
Provisions	146	56	2,870	-	3,900	6,972
Provision expenditure	-	(59)	-	-	(242)	(301)
Reversal of provisions	-	(11)	-	-	(5,008)	(5,019)
Reassessment of risks	(2)	(173)	-	-	-	(175)
Restatement	(26,928)	984	2,624	120	590	(22,610)
Balances at March 31, 2020	**521,894**	**32,431**	**189,834**	**25,116**	**75,891**	**845,166**

	Consolidated					
	Civil	Labor	Legal obligations	Tax	Other provisions	Total
Balances at December 31, 2019	**548,804**	**31,640**	**184,508**	**24,996**	**80,262**	**870,210**
Provisions	146	56	2,897	-	3,905	7,004
Provision expenditure	(53)	(59)	-	-	(242)	(354)
Reversal of provisions	(14)	(11)	-	-	(5,017)	(5,042)
Reassessment of risks	(1)	(172)	-	-	-	(173)
Monetary restatement	(26,926)	984	2,626	120	652	(22,544)
Balances at March 31, 2020	**521,956**	**32,438**	**190,031**	**25,116**	**79,560**	**849,101**

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 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:

(i) 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, 2020, lawsuits classified as possible loss amount to R$13,620 in B3 (R$13,356 at December 31, 2019) and R$13,982 in consolidated (R$13,708 at December 31, 2019).

(ii) 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 December 31, 2020 totals R$77,235 in B3 (R$81,697 at December 31, 2019) and R$91,576 in the Consolidated (R$81,726 at December 31, 2019).

(iii) The total amount involved in the tax proceedings assessed as possible loss amounts to R$834,943 in B3 (R$473,236 at December 31, 2019) and R$835,551 in the Consolidated (R$473,841 at December 31, 2019). The main tax proceedings of B3 and its subsidiaries refer to the following matters:

- classification of former Bovespa, in the period prior to its IPO operations, as payer of Social Contribution Tax for Social Security Financing ("COFINS"), which is subject to a

declaratory judgment action referring to inexistence of a legal tax relationship with the Brazilian federal government, in which former Bovespa requests non-levy of referred to social contribution on revenues from the activities for which such company was organized, since these revenues do not fall into the concept of billing. As at December 31, 2020, the amount involved in referred to action is R$55,631 (R$55,363 at December 31, 2019).

- 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, 2020 totals R$232,435 (R$231,199 at December 31, 2019).

- Service Tax (ISS) notices of delinquency referring to the OTC segment activities (former UTVM) performed by former CETIP in 2016. The proceeding, assessed as possible loss, will represent a contingent liability of R$32,056 in January 2020, referring to the months of May through December 2016. In relation to the months of January through April 2016, judicial deposits have already been made regarding the proceedings that discuss (i) the jurisdiction of the municipalities of São Paulo and Rio de Janeiro to levy ISS; and (ii) the non-levy of ISS on the activities involving holding, registration of securities, among other services (Note 11 (h)).

- Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL) notice of delinquency that challenges the calculation of capital gains upon sale, in 2015, of 20% of CME shares held by BM&FBOVESPA. According to the tax authorities, the exchange difference relating to this investment recorded in accounting should not have been used as acquisition cost for taxable capital gain calculation purposes. This proceeding is assessed as possible loss and represented, in March 2020, a contingent liability amounting to R$325,985.

g) *Remote losses*

Between 2010 and 2019, 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:

	Amounts referring to administrative proceedings	
Period of tax amortization challenged	**03/31/2020**	**12/31/2019**
2008 and 2009 (1)	1,349,349	1,342,008
2010 and 2011 (2)	2,733,586	2,716,406
2012 and 2013 (3)	3,401,949	3,375,948
2014, 2015 e 2016 (4)	4,291,107	4,254,172
Total	**11,775,991**	**11,688,534**

(1) B3 filed an appeal with the Judiciary through an action for annulment on April 23, 2018, against an unfavorable decision to B3 in the *Higher Chamber of* Administrative Board of Tax Appeals (CARF) issued in the notice of infraction issued on November 29, 2010. On June 12, 2018, the preliminary injunction granted suspended the collectability of the tax credit.

(2) On June 22, 2017, CARF granted the Voluntary Appeal filed by B3 and, on August 11, 2019, the Higher Board of Tax Appeals (CSRF) dismissed B3's appeal upon granting the appeal to the High Court of Justice lodged by the National Treasury General Attorney's Office (PGFN). The motion for clarification filed by B3 is currently being awaited, during which period the debt remains under suspended enforceability.

(3) In October 2017, the Company filed a related administrative protest, for which an unfavorable to the B3 decision was handed down by the Brazilian IRS Judgment Office ("DRJ"), upholding the notice. On October 16, 2019, the lower panel of the Administrative Board of Tax Appeals (CARF) issued a decision granting the Voluntary Appeal filed by B3.

(4) On October 18, 2019, B3 was served a new notice, which was challenged within the regulatory deadline. Judgment of the challenge by the Brazilian IRS Judgment Office (DRJ) is currently being awaited.

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"), to determine alleged Treasury losses arising from transactions performed by the Central Bank of Brazil in January 1999 in the dollar futures market. Currently, only four (4) of these lawsuits against B3 are in progress. In March 2012, those claims had been accepted by the lower court for conviction of most of the defendants in these proceedings, including the entity then known as BM&F. The combined convictions amounted to R$7,005 million, from which, according to one of the rulings, the gains obtained by the Central Bank of Brazil due for not using international reserves, amounting to R$5,431 million, could be deducted. B3 had also been sentenced to pay a civil fine of R$1,418 million. In June 2017, the Federal Regional Court ruled in favor of the appeals filed by B3, reversing the sentences to exclude the liability for compensation for any damages suffered by the Brazilian Treasury Department. The Federal Prosecution Office (MPF) filed appeals to the High Court and one appeal to the Supreme Court against the decisions that reversed the negative judgments in all proceedings. One of the appeals to the High Court filed by MPF was analyzed and rejected, due to the unappealable decision already issued in favor of B3. The other appeals to the High Court and the appeal to the Supreme Court were accepted for judgment by the Brazilian High Court of Justice (STJ) and Brazilian Supreme Court (STF), respectively. All amounts reported in this item are historical amounts referring to January 1999 and would be monetarily restated, including default interest and loss of suit expenses.

h) *Judicial deposits*

	B3		Consolidated	
Description	**03/31/2020**	**12/31/2019**	**03/31/2020**	**12/31/2019**
Legal obligations (1)	163,283	160,927	163,283	160,927
Tax (2)	94,236	93,728	94,437	93,926
Labor	12,900	13,048	13,052	13,200
Civil	6,997	6,930	7,004	6,937
Total	**277,416**	**274,633**	**277,776**	**274,990**

(1) Of the total deposits related to legal obligations, R$132,930 (R$130,956 at December 31, 2019) refers to the proceeding that challenges non-levy of ISS on the activities involving holding, registration of securities, among others. In addition, the amount of R$6,736 (R$6,705 at December 31, 2019) refers to proceedings in which B3 seeks non-levy of additional social security contribution tax on payroll and payments made to self-employed, as well as challenge regarding the legality of the requirement to pay the Accident Prevention Factor.

(2) Of the total judicial deposits of B3, the following are highlighted: (i) R$55,631 (R$55,363 at December 31, 2019) referring to proceedings challenging the classification of former Bovespa as subject to the payment of COFINS, which are assessed as possible loss by B3 (Note 11(f)); and (ii) R$15,970 (R$15,892 at December 31, 2019) referring to proceedings challenging PIS and COFINS on interest on equity received.

We stress that the tax-related judicial deposits comprise, in addition to the proceedings classified as probable loss and legal obligations, the proceedings whose likelihood of loss is rated as possible.

12. Equity

a) *Capital*

At a meeting of the Board of Directors held on March 05, 2020, an increase in B3 capital amounting to R$9,000,000 was approved. B3 capital now amounts to R$12,548,655 (R$3,548,655 at December 31, 2019), comprising 2,059,138,490 registered common shares with voting rights and no-par value, of which 2,043,721,403 common shares are outstanding at December 31, 2020 (2,046,098,617 at December 31, 2019).

Capital was increased through partial capitalization of capital reserves, with no issue of new shares. A transfer within equity, with no other legal and economic consequences, aimed at rebalancing the proportion between the capital accounts of the Company's equity.

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.

b) *Treasury shares*

Share buyback program

At a meeting held on June 27, 2019, the Board of Directors approved B3's Share Buyback Program, beginning on June 28, 2019 and ending on February 29, 2020. The limit in the number of shares that could be acquired by B3 was 38,500,000 common shares, representing 1.87% of total outstanding shares. B3 had purchased 4,162,800 shares in the period between July 1, 2019 and January 07, 2020, which represents 10.81% of the total provided for in the buyback program, 1,962,800 shares in 2019 and 2,200,000 shares in 2020.

In a meeting held on March 05, 2020, the Board of Directors approved B3 Share Buyback Program, beginning on March 06, 2020 and ending on February 28, 2021. The limit in the number of shares that may be acquired by B3 is 21,700,000 common shares, which represent 1.05% of total shares outstanding. Until March 31, 2020, B3 had purchased 3,560,000 shares, which represents 16.41% of the total provided for in the buyback program in March 2020.

The shares purchased in connection with the Share Buyback Program may be cancelled or used for transferring shares to the Stock Grant Plan beneficiaries.

Changes in treasury shares for the period are as follows:

	Quantity	Amount
Balances at December 31, 2019	**13,039,873**	**196,619**
Shares acquisition – buyback program	5,760,000	239,607
Shares sold – Stock option and stock grant plans	(3,382,786)	(66,541)
Balances March 31, 2020	**15,417,087**	**369,685**
Average cost of treasury shares (R$ per share)		23.98
Market value of treasury shares		468,131

c) *Revaluation reserves*

Revaluation reserves were established because 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.

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 and dividends approved in relation to P&L for the period are as follows:

Earning	Date of approval	Date of payment	Gross per share (R$)	Total gross amount	Tax Effect
Interest on equity	03/05/2020	04/07/2020	0.143375	293,000	(99,620)
Total for the period of 2020				**293,000**	**(99,620)**

g) *Earnings per share*

Basic	**Consolidated**	
	1Q 2020	**1Q 2019**
Numerator		
Net income available to shareholders of B3	1,025,552	606,198
Denominator		
Weighted average number of outstanding shares	2,044,331,267	2,047,186,442
Basic earnings per share (in R$)	**0.501656**	**0.296113**

Diluted	**Consolidated**	
	1Q 2020	**1Q 2019**
Numerator		
Net income available to shareholders of B3	1,025,552	606,198
Denominator		
Weighted average number of outstanding shares adjusted by effects of stock options and stock grant plans	2,054,139,019	2,058,674,805
Diluted earnings per share (in R$)	**0.499261**	**0.294460**

13. Transactions with related parties

a) Transactions and balances with related parties

	Assets / (liabilities)		Revenue / (expenses)	
Description	**03/31/2020**	**12/31/2019**	**1Q 2020**	**1Q 2019**
Banco B3 S.A.				
Accounts receivable	1,322	1,143	-	-
Interest on equity receivable	-	4,675	-	-
Accounts payable	-	(199)	-	-
Recovery of expenses	-	-	3,733	3,410
Income from fees	-	-	60	53
Expenses from fees	-	-	(381)	(371)
Cetip Lux				
Accounts payable	(2,467,867)	(1,902,517)	-	-
Interest on loans	-	-	(32,411)	(19,229)
Exchange rate variation - loans	-	-	(538,926)	(10,105)
BM&FBOVESPA Supervisão de Mercados				
Accounts receivable	194	195	-	-
Accounts payable	(773)	(430)	-	-
Donation and contribution	-	-	(2,415)	(2,526)
Recovery of expenses	-	-	672	738
Other related parties				
Accounts receivable	4,897	109	-	-
Accounts payable	(14)	(49)	-	-
Recovery of expenses	-	-	3,097	1,096
Interest on loans	-	-	10	-
Sundry revenues	-	-	205	42
Expenses with courses	-	-	(101)	(25)
Telecomunication services	-	-	(4)	(4)
Sundry expenses	-	-	(446)	(924)

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.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 ("MRP"), as this mechanism is administered by BSM.

B3 makes transfers to supplement financing for the activities of BSM and regular transfers of fines for failure to settle debts and deliver assets, as set out in Circular Letter No. 044/2013 of B3. From 2013 to March 31, 2020, B3 transferred to BSM approximately R$112,378 in contributions and fines due to lack of financial settlement.

Sundry expenses with other related parties consist mainly of general expenses of UK Ltd. Office and relating to services provided for member companies member of B3's Board of Directors, whose terms ended by April 29, 2019. Their engagement was conducted using the criteria established by the related parties' policy and for other situations involving 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.

In December 2019, B3 assigned the usufruct of the government securities owned by B3 to the Associação BM&F. This usufruct is aimed at ensuring the transfer of yield by B3, as an honorary member, to fund the activities developed by Association for a period of three years as from signature date.

b) Key management personnel compensation

Key management personnel include directors and statutory officers.

	Consolidated	
Benefits to managing officers	**1Q 2020**	**1Q 2019**
Managing officers		
Short-term benefits (salaries, profit sharing etc.)	9,827	8,604
Share-based compensation (1)	7,420	23,622
Board of Directors		
Short-term benefits (salaries, profit sharing etc.)	3,234	2,469
Share-based compensation (1)	2,974	2,381

(1) This refers to expenses computed in the quarter relating to share-based compensation, increased by labor and social security charges of key management personnel. These expenses were recognized according to the criteria described in Note 15.

14. Collateral for transactions

Acting as central guarantor of the derivatives, exchange and floating income 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 is 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 is 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.

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$3,157,315 (R$3,013,447 at December 31, 2019), are recorded as a liability under "Collateral for transactions" and collaterals, in the amount of R$367,540,455 (R$357,884,530 at December 31, 2019), are recorded in memorandum accounts. At March 31, 2020, total collaterals deposited by members amounts to R$370,697,770 (R$360,897,977 at December 31, 2019), as follows:

a) Collaterals deposited by members

	03/31/2020		12/31/2019	
	BM&FBOVESPA Clearinghouse	**Foreign Exchange Clearinghouse**	**BM&FBOVESPA Clearinghouse**	**Foreign Exchange Clearinghouse**
Federal government securities	293,494,033	10,446,292	264,835,056	7,867,152
Shares	51,739,783	-	75,698,410	-
International securities (1)	6,197,825	-	4,894,286	-
Letters of guarantee	3,589,277	-	3,200,560	-
Cash amounts deposited	2,897,180	259,935	2,972,940	40,307
Bank Deposit Certificates (CDBs)	1,963,671	-	1,309,616	-
Gold	32,932	-	17,373	-
Other	76,842	-	62,277	-
Total	**359,991,543**	**10,706,227**	**352,990,518**	**7,907,459**

(1) American and German government securities as well as ADRs (American Depositary Receipts).

b) Other safeguard mechanisms

(i) Minimum non-operating guarantee ("GMNO"): The GMNO deposit is an access requirement for full negotiation participants ("PNP") and Settlement participants ("PL") to the clearinghouse of BM&FBOVESPA and the required values are defined in the BM&FBOVESPA access manual. The GMNO is broken down as follows:

Breakdown	03/31/2020	12/31/2019
Share Investment Fund (FILCB)	933,391	923,737
Amounts deposited	**933,391**	**923,737**
Amounts required of members	867,761	833,185
Amount in excess of the minimum required	65,630	90,552

(ii) 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.

(iii) 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:

			03/312020
	Clearing BM&FBOVESPA	Foreign exchange clearing	Special Equity - Clearinghouse and custody
Federal government securities	-	287,039	-
Federal government securities of B3	-	134,141	-
Share investment fund (FILCB) of B3	678,220	-	-
Share investment fund (FILCB)	803,720	-	-
Cash amounts deposited	-	200	-
Amounts deposited	**1,481,940**	**421,380**	**-**
Amounts required from participants	749,004	121,250	-
Amounts required from B3	660,886	121,250	-
Value in excess of the minimum required	72,050	178,880	-
Special Equity (1)	170,130	82,625	84,592

			12/312019
	Clearing BM&FBOVESPA	**Foreign exchange clearing**	**Special Equity - Clearinghouse and custody**
Federal government securities	-	277,022	-
Federal government securities of B3	-	132,745	-
Share investment fund (FILCB) of B3	671,456	-	-
Share investment fund (FILCB)	799,486	-	-
Cash amounts deposited	-	200	-
Amounts deposited	**1,470,942**	**409,967**	**-**
Amounts required from participants	720,925	117,350	-
Amounts required from B3	636,111	117,350	-
Value in excess of the minimum required	113,906	175,267	-
Special Equity (1)	168,920	81,779	83,727

(1) Patrimônio Especial (Special equity) Selic das câmaras BM&FBOVESPA, Câmbio and compensação and 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.

(iv) 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.

Breakdown	**03/31/2020**	**12/312019**
Federal government securities	1,225,522	1,289,566
Amounts deposited	**1,225,522**	**1,289,566**
Amounts required of B3	1,200,000	1,200,000
Amount in excess of the minimum required	25,522	89,566

15. Employee benefits

a) Stock Grant - long-term incentive

B3 recognized expenses related to Stock Grant Plan matched against capital reserves in equity, based on the fair value of the share at the grant date of the plans and charges in personnel expenses calculated based on the fair value of the share at March 31, 2020. As shown in the table below:

	B3		Consolidated	
	1Q 2020	**1Q 2019**	**1Q 2020**	**1Q 2019**
Expenses related to granting	(22,544)	(21,803)	(24,111)	(21,930)
Tax expenses	(5,624)	(27,985)	(5,966)	(28,013)
Hedge Instrument Effect - Tax	(8,335)	2,925	(8,335)	2,925
Total	**(36,503)**	**(46,863)**	**(38,412)**	**(47,018)**

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, 2020, the cost of shares transferred related to the grants of the Stock Grant Plan amounted to R$66,541 (R$34,529 at March 31, 2019).

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 receive. 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 statement.

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 12/31/2019	Changes in the period			Outstanding share contracts at 03/31/2020	Dilution percentage (1)
				New programs	Performed	Canceled		
01/08/2016	01/13/2020	10.52	520,044	-	(515,768)	(2,851)	1,425	0.00%
01/06/2017	01/15/2020	17.05	561,986	-	(559,347)	(1,759)	880	0.00%
01/06/2017	01/15/2021	17.05	372,684	-	(13,624)	-	359,060	0.02%
03/29/2017	03/30/2020	19.35	302,325	-	(302,325)	-	-	0.00%
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)	-	-	0.00%
03/29/2017	01/10/2021	19.35	718,475	-	-	-	718,475	0.04%
11/13/2017	11/13/2020	22.70	117,606	-	(1,982)	(11,232)	104,392	0.01%
11/13/2017	11/15/2021	22.70	117,602	-	(1,486)	(11,728)	104,388	0.01%
01/08/2018	01/15/2020	23.90	688,191	-	(682,515)	(5,153)	523	0.00%
01/08/2018	01/15/2021	23.90	688,191	-	(15,044)	(875)	672,272	0.03%
01/08/2018	04/30/2021	23.90	172,690	-	-	-	172,690	0.01%
01/08/2018	01/14/2022	23.90	332,111	-	(4,815)	(4,256)	323,040	0.02%
01/08/2019	01/15/2020	27.88	653,290	-	(648,391)	(4,559)	340	0.00%
01/08/2019	01/15/2021	27.88	653,290	-	(4,844)	(8,015)	640,431	0.03%
01/08/2019	01/17/2022	27.88	653,290	-	(3,226)	(9,415)	640,649	0.03%
01/08/2019	01/16/2023	27.88	653,290	-	(2,420)	(10,113)	640,757	0.03%
01/08/2019	04/30/2021	27.88	159,408	-	-	-	159,408	0.01%
01/08/2020	01/15/2021	44.67	-	458,362	-	-	458,362	0.02%
01/08/2020	01/14/2022	44.67	-	458,362	-	-	458,362	0.02%
01/08/2020	01/13/2023	44.67	-	458,362	-	-	458,362	0.02%
01/08/2020	01/15/2024	44.67	-	458,362	-	-	458,362	0.02%
01/08/2020	04/30/2022	44.67	-	51,393	-	-	51,393	0.00%
			8,385,274	**1,884,841**	**(3,474,262)**	**(69,956)**	**6,725,897**	**0.33%**

(*) The outstanding shares for plans already ended will still be transferred.

(1) The number of outstanding shares at March 31, 2020 is 2,043,721,403.

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, 2020, the potential liabilities are recognized for R$37,446 (R$36,038 at December 31, 2019).

c) Supplementary pension plan

Due to merger of CETIP, B3 sponsors two private pension plans (Plano B3 (formerly named Plano BM&FBOVESPA) managed by Mercaprev and Plano CETIP managed by Itaú Fundo Multipatrocinado (IFM)) structured under the defined contribution type. After the merger date, new members are only allowed in Plano B3. On January 02, 2020, management of Plano B3 was transferred to IFM. After such transfer, the two plans maintained by B3 are managed by IFM.

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			
	12/31/2019	(Debt) credit in the income statement	(Debt) credit in the statement of comprehensive income	03/31/2020
Deferred assets				
Tax, civil and labor contingencies	299,678	(12,321)	-	287,357
Tax loss carryforwards	677,751	(42,630)	-	635,121
Fair Value hedge – derivatives	150,380	243,037	-	393,417
Stock grant plan – Long-term incentive	89,365	(39,143)	-	50,222
Profit sharing	53,055	(39,630)	-	13,425
Amortization/depreciation of surplus value	46,815	(1,595)	-	45,220
Exchange Variation	113,391	188,464	-	301,855
Other temporary differences	134,396	(3,078)	(4,935)	126,383
Total deferred tax assets	1,564,831	293,104	(4,935)	1,853,000
Deferred tax liabilities				
Goodwill amortization (1)	(5,104,365)	(119,628)	-	(5,223,993)
Market to market - Financial instruments	(153,999)	(231,264)	30,715	(354,548)
Other temporary differences	(87,856)	(6,298)	(6,809)	(100,963)
Total deferred tax liabilities	(5,346,220)	(357,190)	23,906	(5,679,504)
Deferred taxes, net	**(3,781,389)**	**(64,086)**	**18,971**	**(3,826,504)**

	Consolidated			
	12/31/2019	(Debt) credit in the income statement	(Debt) credit in the statement of comprehensive income	03/31/2020
Deferred assets				
Tax, civil and labor contingencies	299,817	(12,327)	-	287,490
Tax loss carryforwards	680,964	(41,048)	-	639,916
Fair Value hedge - derivatives	150,380	243,037	-	393,417
Stock grant plan – Long-term incentive	91,634	(38,411)	-	53,223
Profit sharing	53,775	(39,929)	-	13,846
Amortization/depreciation of surplus value	46,815	(1,595)	-	45,220
Exchange Variation	113,397	188,466	-	301,863
Other temporary differences	134,606	(3,144)	(4,935)	126,527
Total deferred tax assets	1,571,388	295,049	(4,935)	1,861,502
Deferred tax liabilities				
Goodwill amortization (1)	(5,104,365)	(119,628)	-	(5,223,993)
Marketo To Market - Financial instruments	(154,008)	(231,263)	30,727	(354,544)
Other temporary differences	(101,403)	(6,321)	(6,809)	(114,533)
Total deferred tax liabilities	(5,359,776)	(357,212)	23,918	(5,693,070)
Deferred taxes, net	**(3,788,388)**	**(62,163)**	**18,983**	**(3,831,568)**

(1) Deferred income and social contribution tax liabilities arising from temporary difference between the goodwill tax base and it is carrying amount in the statement of financial position, given that goodwill continues to be amortized for tax purposes, but is no longer amortized as of January 1, 2009 in accounting records, resulting in a tax base lower than the goodwill carrying amount. This temporary difference may result in amounts becoming taxable in future periods, when the carrying amount of the asset will be reduced or settled, thus requiring the recognition of a deferred tax liability.

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, 2020 are as follows:

	Temporary differences	Income tax and social contribution losses	Total	Provision for deferred taxes and contributions	Total deferred, net
2020	527,822	-	527,822	(1,282)	526,540
2021	59,475	123,063	182,538	(1,695)	180,843
2022	29,958	272,306	302,264	(1,677)	300,587
2023	278,631	244,547	523,178	(1,671)	521,507
2024	5,108	-	5,108	(836)	4,272
2025	560	-	560	-	560
From 2026 onwards	320,032	-	320,032	(461,916)	(141,884)
Goodwill (1)	-	-	-	(5,223,993)	(5,223,993)
Total	**1,221,586**	**639,916**	**1,861,502**	**(5,693,070)**	**(3,831,568)**

(1) Deferred tax liabilities arising from goodwill will be realized when the difference between the tax base of goodwill and its carrying amount is reversed, in whole or in part, by the asset impairment, disposal, or as a result of provisions set up for tax proceedings. The proceedings currently assessed as remote risk of loss discuss amortization, for tax purposes, of the goodwill arising from merger of the shares of Bovespa Holding S.A. 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, 2020, the balance of goodwill that is deductible for income tax and social contribution purposes is R$3,166,616 (R$3,518,464 at December 31, 2019).

c) Conciliation of income tax and social contribution expense

Conciliation 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 2020	**1Q 2019**	**1Q 2020**	**1Q 2019**
Income before income tax and social contribution	**1,189,104**	**727,911**	**1,194,907**	**735,526**
Income tax and social contribution before additions and exclusions computed at the statutory rate of 34%	(404,295)	(247,490)	(406,268)	(250,079)
Adjustments:	240,743	125,777	236,482	120,670
Dividends and interest on equity	99,716	134,300	99,716	134,300
Exchange rate variation on foreign investment	137,323	2,506	137,323	2,506
Effect of taxes on income abroad	2,424	2,269	2,424	2,269
Equity	2,658	4,960	(89)	508
Other	(1,378)	(18,258)	(2,892)	(18,913)
Income tax and social contribution	**(163,552)**	**(121,713)**	**(169,786)**	**(129,409)**
Effective rate	13.75%	16.72%	14.21%	17.59%

d. Taxes to be offset and recoverable

Taxes to be offset and recoverable are as follows:

	B3		Consolidated	
Description	**03/31/2020**	**12/31/2019**	**03/31/2020**	**12/31/2019**
Income tax and social contribution on the profit to be offset	319,277	258,143	321,575	258,294
Credits of PIS and Cofins	41,523	37,896	43,336	39,491
Credits of other taxes	79,025	168,680	101,065	183,692
Total	**439,825**	**464,719**	**465,976**	**481,477**

17. Revenues

	B3		Consolidated	
	1Q 2020	1Q 2019	1Q 2020	1Q 2019
Gross revenue	**2,088,505**	**1,506,055**	**2,125,162**	**1,531,869**
Listed	**1,505,788**	**955,129**	**1,505,773**	**955,121**
Cash equities and equities instruments	1,053,452	629,847	1,053,452	629,847
Trading and post-Trading	924,694	538,608	924,694	538,608
Depositary	48,442	36,857	48,442	36,857
Securities lending	47,463	34,208	47,463	34,208
Listing and services for issuers	32,853	20,174	32,853	20,174
Interest Rates BRL, FX and commodities	452,336	325,282	452,321	325,274
Trading and post-Trading	452,336	325,282	452,321	325,274
OTC	**245,505**	**240,725**	**245,505**	**240,725**
Fixed income	145,213	156,769	145,213	156,769
Derivatives	62,879	44,243	62,879	44,243
Other	37,413	39,713	37,413	39,713
Infrastructure for financing	**82,636**	**141,198**	**104,267**	**152,123**
Technology, data and service	**254,576**	**169,003**	**269,617**	**183,900**
Technology and access	175,426	107,506	178,223	108,026
Data and analytics	46,572	42,880	47,352	42,916
Banco B3 S.A.	-	-	11,928	12,081
Other	32,578	18,617	32,114	20,877
Revenue deductions	**(217,329)**	**(152,029)**	**(219,961)**	**(153,627)**
PIS and Cofins	(182,811)	(126,804)	(184,533)	(127,931)
Service tax	(34,518)	(25,225)	(35,428)	(25,696)
Net revenues	**1,871,176**	**1,354,026**	**1,905,201**	**1,378,242**

18. Expenses and sundry revenue, net

	B3		Consolidated	
Description	**1Q 2020**	**1Q 2019**	**1Q 2020**	**1Q 2019**
Sundry provisions (1)	21,961	(47,835)	21,704	(48,027)
Contributions and donations	(2,595)	(266)	(2,636)	(325)
Electricity, water and sewage	(4,134)	(4,286)	(4,216)	(4,357)
Travels	(988)	(278)	(1,109)	(379)
Comunications	(403)	(696)	(759)	(714)
Other	(3,901)	(4,172)	(3,928)	(3,756)
Total	**9,940**	**(57,533)**	**9,056**	**(57,558)**

(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.

19. Financial result

	B3		Consolidated	
	1Q 2020	1Q 2019	1Q 2020	1Q 2019
Financial income				
Revenue from financial assets measured at fair value	107,858	107,223	109,535	109,368
Other financial revenues	13,194	8,235	13,459	8,291
Dividends on shares abroad	282	213	282	213
(-) PIS and Cofins on financial revenues	(5,292)	(6,717)	(5,321)	(6,748)
	116,042	**108,954**	**117,955**	**111,124**
Financial expenses				
Interest on debt abroad	(52,393)	(35,182)	(52,393)	(35,182)
Instrumento de *hedge*	9,804	(15,119)	9,804	(15,119)
Funding interest - Debentures	(12,702)	(24,458)	(12,702)	(24,458)
Funding interest - Loans and Financing	(32,965)	(19,896)	(7,280)	(6,636)
Other financial expenses	(10,080)	(3,513)	(10,307)	(4,292)
	(98,336)	**(98,168)**	**(72,878)**	**(85,687)**
Foreign exchange rate, net	**(549,393)**	**(11,929)**	**(157,300)**	**(4,656)**
Financial result	**(531,687)**	**(1,143)**	**(112,223)**	**20,781**

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 2020 Consolidated
	Listed	OTC	Infrastructure for financing	Technology, data and service	Total
Revenue	**1,344,243**	**219,231**	**84,750**	**256,977**	**1,905,201**
Adjusted operating expense	(147,369)	(52,023)	(44,645)	(70,781)	(314,818)
Long-Term Incentive	(17,051)	(7,596)	(5,157)	(12,331)	(42,135)
Other provisions	16,084	2,195	526	2,246	21,051
	1,195,907	**161,807**	**35,474**	**176,111**	**1,569,299**
Depreciation and amortization					(261,908)
Equity pick-up					(261)
Financial result					(112,223)
Income tax and social contribution					(169,786)
Net income for the period					**1,025,121**

					1Q 2019 Consolidated
	Listed	OTC	Infrastructure for financing	Technology, data and service	Total
Revenue	**856,158**	**212,517**	**142,314**	**167,253**	**1,378,242**
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)
	654,987	**148,325**	**50,893**	**116,607**	**970,812**
Depreciation and amortization					(257,562)
Equity pick-up					1,495
Financial result					20,781
Income tax and social contribution					(129,409)
Net income for the period					**606,117**

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, 2020 - R$45,145 (R$176,237 at December 31, 2019); long-term incentive programs settled in cash (Matching) - R$13,096 (R$12,251 at December 31, 2019); charges on long-term incentive programs - R$71,238 (R$123,893 at December 31, 2019) and vacation - R$63,243 (R$ 58,131 at December 31, 2019).

b. At March 31, 2020, the balance of taxes and contributions payable in the consolidated mainly refers to federal taxes and contributions - R$191,060 (R$235,948 at December 31, 2019) and withholding taxes and contributions payable - R$85,710 (R$67,393 at December 31, 2019).

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, 2020, totaling R$71,825 (R$69,897 at December 31, 2019).

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, 2020, according to insurance policies, is as follows:

Insurance line	Maximum indemnit
Amounts at risk, property damages, buildings and equipment	223,810
Civil liability	415,000
Guarantee (1)	5,132,656
Works of art	1,090
Total	**5,772,556**

(1) This refers to the provision of collateral to obtain the suspension of the tax debt enforceability.

22. 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, 2019:

Note 1 – Operations
Note 2 – Preparation and presentation of the quarterly information
Note 3 – Significant accounting practices
Note 8 – Intangible assets

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