

BANCO DAYCOVAL S.A.
Publicly held Company
CNPJ/MF no. 62.232.889/0001-90
NIRE 35.300.524.110

MATERIAL FACT

São Paulo, September 5, 2016 - Banco Daycoval S.A. (BM&FBOVESPA: DAYC4), a financial institution headquartered at Avenida Paulista, No. 1.793 in the city of São Paulo, State of São Paulo, enrolled with the CNPJ/MF under No. 62.232.889/0001-90 and NIRE 35300524110 ("**Banco Daycoval**" or "**Company**"), in compliance with CVM Instruction no. 361, of March 5, 2002, as altered ("**CVM Instruction 361**"), hereby informs its shareholders and the market in general, that at an extraordinary meeting of shareholders held on September 5, 2016 approval was given for the redemption and cancellation of 3,891,298 of the Company's preferred shares issued that remained outstanding in the market ("**Remaining Shares**") after the auction ("**Auction**") of the unified public offering for the acquisition of up to all of the preferred shares issued by the Company and held by its non-controlling shareholders and managers of the Company for purposes (i) the delisting of the Company for trading on the market as a category "A" securities issuer and conversion to category "B," in accordance with CVM Instruction 480, of December 7, 2009, as amended ("**CVM Instruction 480**" and "**Conversion of Registration**," respectively) and (ii) the Company's withdrawal from the special listing segment of the BM&FBOVESPA S.A. Bolsa de Valores Mercadorias e Futuros ("**BM&FBOVESPA**"), known as Corporate Governance Level 2 (respectively, "**Level 2**" and "**Offer**") in accordance with the Offer instrument published on July 1, 2016 ("**Notice**"). The redemption of the Remaining Shares took place without a reduction of the Company's capital stock, with all shares redeemed having been canceled.

The amount to be paid for the Remaining Shares will correspond to R\$9.08 per share, which is equivalent to the price practiced through the Offer, adjusted for the SELIC rate, *pro rata temporis*, as from the date of the settlement of the OPA, which occurred on August 16, 2016, until **September 15, 2016**, when the amount of the redemption will be made available to shareholders in accordance with the provisions of article 4, § 5, of the Brazilian Corporations Law and in article 25-A of CVM Instruction 361, of March 5, 2002, as amended ("**CVM Instruction 361**").

The redemption amount will be deposited on **September 15, 2016**, in the respective current accounts of holders of the Remaining Shares, according to the information on record with Banco Bradesco S.A, the institution responsible for the Company's share registration service.

In relation to shareholders whose records are not properly updated with Banco Bradesco S.A., the redemption amount will be deposited and become available to such shareholders, as of September 15, 2016, in branches of Banco Bradesco S.A. authorized to make the payment to shareholders, at a very minimum in the city of São Paulo and in the other capitals of all the states of the country, pursuant to item 4.2 of the Offer Notice. In order to receive payment for redeemed shares, such shareholders must appear in any branch of Banco Bradesco, with the following documents:

- (i) If an **Individual**: an authenticated copy of his/her CPF/MF card, identity card and proof of residence. Representatives holding proxies of estates, minors or prohibited and interested

parties shall present the documents granting the powers of attorney through notarized, certified copies of the CPF/MF card and the identity card of the representatives; and

- (ii) If a **Legal Entity**: a certified copy of the latest By-laws or the consolidated Articles of Incorporation in effect, registration card in the CNPJ/MF, corporate documentation granting power of attorney, CPF/MF, identity card and proof of residence of the individual who represents the aforementioned legal entity.

After the presentation of the documents requested above and their acceptance by Banco Bradesco S.A., the financial institution will process the redemption payment.

In the event of doubts about the procedure to obtain the amount due for the redemption of the shares, shareholders may contact any branch of Banco Bradesco S.A. or consult with Investors Telephone Service Center at 0800-7011616. Service is available during business hours (8 a.m. to 5 p.m.), with the exception of Sundays and holidays.

Ricardo Gelbaum

Investor Relations Officer

Investor Relations

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