

BANCO DAYCOVAL S.A.
Publicly-held Company
CNPJ/MF n.º 62.232.889/0001-90
NIRE 35.300.524.110

MATERIAL FACT

São Paulo, March 29, 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 ("**Company**"), in compliance with the conditions contained in Article 157, Paragraph 4, of Law No. 6.404 of December 15, 1976, as amended, and Instruction no. 358 of the Securities Exchange Commission ("**CVM**") of January 3, 2002, as amended, to the conditions of article 5 of CVM Instruction 567, of September 17, 2015 ("CVM Instruction 567") and article 30, section XXXVI of CVM Instruction 480, of December 7, 2009 ("**CVM Instruction 480**"), continuing communication of material facts published by the Company on June 24, 2015, January 29, 2016 and March 9, 2016 ("**Material Facts**") is hereby informing its shareholders and the market in general the following.

The shareholders owners of all of the Company's common shares, meeting at an extraordinary shareholders meeting held on March 29, 2016 ("**ESM**"), as described in the Material Facts, approved: (i) the cancellation of the Company's registration as issuer of "A" shares and conversion to category "B" ("**Conversion of the Registration**"), subject to the realization of the unified public offer for the acquisition of up to all of the preferred shares issued by the Company and owned by its non-controlling shareholders and members of the Company's management, to be held in accordance with CVM Instruction 361 of March 5, 2002, as amended ("**CVM Instruction 361**") for the purpose of (a) Conversion of the Registration; and combined with (b) the withdrawal of Company from the special listing segment of the BM&FBOVESPA S.A. -Bolsa de Valores, Mercadorias e Futuros known as Level 2 of Corporate Governance ("**Offer**"); and (ii) in accordance with CVM Instruction 567, CVM Instruction 361, and other applicable rules, the Company's participation, in conjunction with the controlling shareholders, as offerors under the Offer, exclusively if the Condition for Conversion of the Registration is confirmed, as an instrument of the Offer to be published in due course ("**Notice**").

Additionally, the Company is informing that the members of the Board of Directors at a meeting on March 29, 2016, approved the acquisition by the Company of the preferred shares of its own issue, to be canceled or held in treasury, in accordance with article 15, line "o", of the Company's By-laws, as a result of the Company's participation as offeror in the public Offer, under the terms disclosed in the Material Facts as well as the those approved by the ESM ("**RCA**").

Considering the resolution of the Board of Directors ("**RCA**") described above, the Company is presenting as an Annex to this Material Fact, the information required by article 30, section XXXVI, CVM Instruction 480, in the form set out in Annex 30-XXXVI of the same instruction.

The Company is clarifying that the registration of the Offer continues to be under review by the CVM.

The Company will keep the market and its shareholders informed of the matter addressed in this Material Fact.

This Material Fact is exclusively informational in nature and does not constitute an offer to purchase securities.

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ANNEX

Annex 30-XXXVI of CVM Instruction 480

Trading of Shares of Own Issue

1 Justify in detail the purpose and the expected economic effects of the operation;

The operation for the acquisition of all of the shares issued by the Company is within the context of the unified public offer to acquire up to all of the Company's preferred shares and those owned by its non-controlling shareholders and members of its management, to be conducted under the terms of CVM Instruction 361 of March 5, 2002, as amended ("**CVM Instruction 361**") for the purpose of (a) Cancellation of the Company's registration as issuer of Category 'A' securities and conversion to category "B ("**Conversion of the Registration**"), conditioned to the realization of the ("**OPA for Conversion of the Registration**"); and combined with (b) the withdrawal of Company from the special listing segment of the BM&FBOVESPA S.A. - Bolsa de Valores Mercadorias e Futuros, known as Corporate Governance Level 2 ("**Withdrawal from Level 2**" and "**OPA for Withdrawal from Level 2**") and, together with the OPA for Conversion of the Registration, ("**Offer**").

Furthermore, as widely discussed in the Management Proposal to which this Annex is a part, the Company's Management believes that (i) the low liquidity of the shares of its own issue; (ii) the current levels of its capitalization; (iii) the absence of its need to resort to capital markets to finance itself; and (iv) the absence of impacts on its business plan, justify that the Company participate as offeror in the context of the Offer and, therefore, in its view, it is legitimate to use own resources to acquire securities of its own issue and those owned by its minority shareholders, because it does so in the best interests of the Company and its shareholder base.

2 Inform the number of shares (i) on free float and (ii) already held in treasury;

Currently, the Company has 61,778,513 (sixty-one million, seven hundred seventy-eight thousand, five hundred and thirteen) of its own preferred shares in free float and 1,225,548 (one million, two hundred twenty-five thousand, five hundred and forty eight) of its own preferred shares maintained in treasury.

Considered to be shares in free float are all preferred shares issued by the company ("**Shares**") with the exception of those Shares (i) owned by the controlling shareholders and persons linked to them; (ii) owned by the administrators of the company; and (iii) those held in treasury.

3 Inform the number of shares which may be acquired or sold;

The number of shares subject to the Offer to be acquired by the Company will be determined at the time of the disclosure of the instrument of Offer ("**Notice**"), and will comprise the preferred shares on the free float and the shares held by the administrators of the Company.

However, the number of shares subject to the Offer to be acquired will be limited: (a) to the balance of profits or reserves, in accordance with the provisions of article 30, § 1, line "b", of the Publicly Traded Companies Law, Article 16, sole paragraph, of the CVM Instruction 361, and article 8, § 4, item II of CVM Instruction 567, of September 17, 2015 ("**CVM**

Instruction 567"); and (b) to 50% (fifty percent) of the value of the Offer, applying the lower limit, among those referred to above.

4 Describe the main features of the derivative instruments that the company will use, if any;

Not applicable.

5 Describe, if there are any existing agreements or voting guidelines between the company and the counterparty of the operations;

Not applicable.

6 In the event of operations conducted outside of organized markets for securities, inform:

(a) the maximum (minimum) price at which the shares will be acquired (sold); and

Currently, the maximum price to be offered per share under the offer, is R\$ 9,51 (nine reais and 51 centavos) ("**Price per Share**").

Any dividends or interest on shareholders' capital that may be declared by the Company until the Offer auction date, to be set upon the disclosure of the Notice, shall be deducted from the price per share if the shares subject to this Offer are being traded *ex-dividend* or *ex-interest on capital in that period*.

(b) If applicable, the reasons for conducting the operation at prices more than 10% (ten percent) higher, in the case of acquisition, or more than 10% (ten percent) lower, in the case of sale, of the price average, weighted by volume, in the 10 (ten) preceding trading session;

In terms of sub-item I of clause 16 of CVM Instruction 361, in the context of public offers for acquisition of shares for the purpose of cancelation as a publicly-traded company for trading of shares on the market (applicable also to the OPAs for Conversion of the Registration), the price offered per share must "*be fair, in the form set out in §4 of art. 4 of Law 6.404/76, and in view of the assessment referred to in §1º of art. 8*".

Added to the conditions of CVM Instruction 361, the Level 2 Regulation requires, under the terms of its Sections X and XI, that public offers for acquisitions of shares takeover bids for the purpose of delisting of a publicly-held company for the trading of shares on the market and the withdrawal from level 2 be preceded by the preparation of an assessment report and that the price offered per share is equivalent to its economic value, determined on the basis of said appraisal report.

In this case, the Price per Share was confirmed by a appraisal report prepared by Banco Santander (Brasil) S.A., dated August 14, 2015, representing a premium relative to the value of the shares that are the object of the Offer.

Moreover, it is important to note that, in accordance with the conditions of article 7, item II of CVM Instruction 567, the acquisition of shares of own issue is only prohibited if the operation is performed in organized securities markets at prices higher than those of the market.

On this point, it should be noted that paragraph 3 of article 2 of CVM Instruction 361 determines that what is considered a public offer for the acquisition of shares is the public offer conducted outside the stock exchange or an organized over-the-counter market entity.

For these reasons, it is permitted that within the context of the OPA for Conversion of the Registration the acquisition of shares by the Company at prices higher than market prices can be carried out.

7 Report, if any, what impacts that trading will have on the composition of the share control or in the administrative structure of the company;

Not applicable.

8 Identify the counterparties, if known, and, if a party related to the company, as defined by accounting rules that deal with this issue, provide the information required by art. 8 of CVM Instruction 481 of December 17, 2009, as amended;

Not applicable.

9 Indicate the allocation of resources received, if applicable;

Not applicable.

10 Indicate the maximum time limit for the payment of authorized operations;

The maximum period for the settlement of the Offer will be determined when the Notice is published, observing the applicable regulation.

11 Identify institutions that will act as intermediaries, if any;

The financial institution that will act as intermediary in the context of the Offer will be Banco Itaú BBA S.A., a financial institution located in the city of São Paulo, State of São Paulo, at Avenida Brigadeiro Faria Lima, 3500, 1, 2 and 3 (part), 4th and 5th floors, Itaim Bibi, Sao Paulo, state of São Paulo, enrolled with the CNPJ/MF under No. 17.298.092/0001-30.

12 Specify the available resources to be used, in the form of art. 7, § 1, of CVM Instruction 567.

The Company has, on the basis of the financial statements of December 31, 2015 and still subject to approval of the shareholders of the Company, in its statutory profit reserve as foreseen under article 42 of its By-laws, and including retained earnings, a total amount of R\$ 818,575,826.08 (818 million, five hundred seventy five thousand, eight hundred twenty-six, and eight centavos).

13 Specify the reasons why the Board members feel comfortable that the share buyback will not harm the fulfillment of obligations with creditors or the payment of fixed or minimum mandatory dividends.

Company's Management reiterates that the resources to be used for the participation of the Company as offeror in the Offer will be limited: (a) to its balance of profits or reserves, in accordance with the provisions of article 30, § 1, line "b", of the Publicly Traded Companies Law, Article 16, sole paragraph, of the CVM Instruction 361, and article 8, § 4,

item II of CVM Instruction 567; and (b) to 50% (fifty percent) of the value of the Offer, applying the lower limit, among those referred to above.

Thus, considering that the amounts to be used by the Company in the Offer will be those held in statutory profit reserve and that such funds would not be used to fulfill any eventual obligations with creditors or for the payment of mandatory dividends, there is no need to refer to damage to the Company's business.

Furthermore, as widely discussed in the Management Proposal, the Company's Management believes that the use of its own funds to acquire shares it has issued and those of its minority shareholders through this Offer is inserted into the best corporate interest and that of its share base, keeping in mind, mainly (i) the low liquidity of the shares of its own issue; (ii) the current levels of its capitalization; (iii) the absence of its need to resort to capital markets to finance itself; and (iv) the absence of impacts on its business plan.

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